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- Our plan for America

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# Philadelphia story

When New Democrats decided to gather this summer for our annual National Conversation, we offered a plan for challenging George W. Bush. Presented in Philadelphia—where the Founders crafted our republic and where President Bush made a litany of false promises in 2000—our plan is outlined in this BLUEPRINT. It includes a detailed critique of the Bush administration, a political strategy for 2004, and a *New Democrats' Declaration* of the principles that will guide our politics—and dramatically differentiate us from Bush's party—in the coming battles. Taken together, they are an agenda for the 21st century.

Clearly the nation needs one. As Ed Kilgore and Bruce Reed report in our lead article, Bush has, since his lofty acceptance speech, presided over unprecedented fiscal irresponsibility, rampant corporate cronyism, and inadequate homeland security. He has also squandered our prosperity while paying little more than lip service to urgent social needs like health care, education reform, and work-family issues. The president promised "a responsibility era," but has ducked responsibility for the nation's economic strength, domestic security, and fiscal future.

Indeed, apart from the U.S. military's twin triumphs abroad, the Bush presidency is a failure. The economy is in shambles—see Jeff Lemieux's economic analysis and Robert D. Atkinson's jobs report—and our lives are not safer. The president's actions—such as promising tax relief while in fact increasing the tax burden on the middle class—put the lie to his promises and rhetoric.

Democrats can offer something better. As Al From and Bruce Reed note in their political battle plan, the next election will decide whether we move forward into a prosperous, modern, and secure 21st century or continue the slide back into 19th-century privilege and exploitation. If Democratic candidates make President Bush run on his record, voters won't like what they see. But, for a winning formula in 2004, Democrats must be able to show strength abroad to be strong at home.

Democrats will not win by waging a protest campaign aimed simply at stirring up the base, writes Randolph Court. Yet the Internet is encouraging activists to do just that. It's a strategy for failure like the dot-com implosion.

Ultimately, a New Democrat plan for America's future, as summed up in our *Declaration* at Philadelphia, is about the kind of nation our children will inherit. Do we want them to grow up in a country that rewards wealth and privilege, not work and family? Or do we want to give them a country that provides security, offers opportunity, demands responsibility, and promises reform? We choose the latter.

*—Peter Ross Range*

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# CONTENTS


1
*by* **Peter Ross Range**

ESSAYS & COMMENT ▸▸

37
*by* **Robert D. Atkinson**
Democrats can seize the initiative on streamlining and modernizing government.

39
*by* **Jim Kessler, Matt Bennett,** *and* **Jonathon Cowan**
Democrats can grab the center on the gun debate. But it's framing the message that matters.

41
*by* **Nelson Smith**
California's successes—and remaining hurdles—point the way forward for policymakers.

CULTURE & POLITICS ▸▸

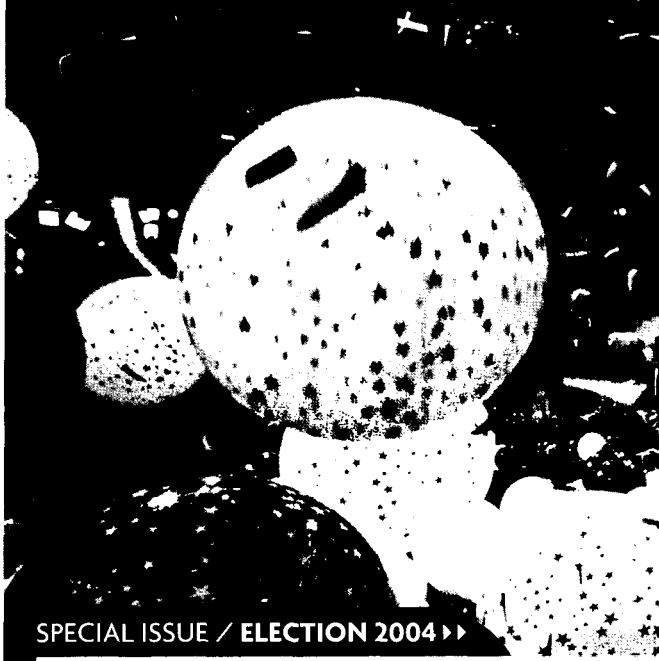
43
*by* **Fred Siegel**

CAMPAIGN LESSONS ▸▸

32
*by* **Ed Kilgore**
Gov. Ed Rendell's New Democrat message made history in Pennsylvania, and offers lessons for Democrats everywhere.

*Contributing Photographers:* AP/Wide World—7, 22, 25, 28, 33, 36, 39, 44; Corbis—Cover, 5, 21, 41; Lee Stranahan—27.

**ALL HOT ...** George W. Bush's promises at the 2000 Republican Convention in Philadelphia were as empty as helium balloons. Can Democrats highlight his hollow rhetoric while offering a positive program for the 21st century?



SPECIAL ISSUE / **ELECTION 2004** ▸▸


4
*by* **Ed Kilgore** *and* **Bruce Reed**
Bush promised the moon at the 2000 Republican National Convention. It all turned out to be a bright, shining lie.

*by* **Jeff Lemieux**
Under Bush, the economic outlook remains grim.

12
*by* **Al From** *and* **Bruce Reed**
Democrats can win in 2004, but only with the right battle plan. They must offer voters a 21st-century program for prosperity and strength to beat the 19th-century policies of the Bush administration.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AGENDA ▸▸


16

Two hundred twenty-seven years ago, democratic insurgents and reformers came to Philadelphia to forge a new country that would forever change the course of human events. Now, at the dawn of what ought to be America's greatest century, too many of our country's leaders are trying to leave behind the values and aspirations that have made America great. If we continue on the course set by the Bush administration, the promise of America will never be the same.

27

*by* **Randolph Court**
Howard Dean's protest campaign has found a niche online. Could it be the next dot-com bust?

30

*by* **Robert D. Atkinson**
First Bush killed jobs with bad economic management. Now he's making matters worse by slashing assistance for unemployed and dislocated workers.

34

*edited by* **José Cerda III**
Last May, New Democrats from around the country gathered in Washington to share some of the reasons for their success. Here's a partial transcript of their comments.


**"NDOL Extras"** More on the Web

Throughout BLUEPRINT, whenever you see a box like this one, go to **"New Democrats Online"—www.ndol.org**—and use the search phrase (e.g.,"Extra Workforce") to find related material.

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# Philadelphia Story

Bush promised the moon at the 2000 Republican National Convention. It all turned out to be a bright, shining lie.

| *by* **Ed Kilgore** *and* **Bruce Reed**

Just three summers ago, George W. Bush took the stage at the Republican National Convention in Philadelphia and made America a solemn promise. As president, he said, he would change the tone in Washington and change the nature of the Republican Party. Of Bush's many failures in office, breaking that promise is the most telling. His acceptance speech turned out to be the archetype for his presidency: a picture-perfect and exquisitely choreographed lie.

The best measure of any president is neither his poll ratings nor the latest closing of the Dow. Anyone who asks America for a second term in the Oval Office should be judged by his promises. Has George W. Bush been the kind of president he promised to be?

Let's examine the record, using Bush's own words in Philadelphia.

He promised to "usher in an era of responsibility," but instead has presided over an era of fiscal and corporate irresponsibility.

He promised everyone "an equal claim on this country's promise," but instead has waged the most sustained assault on progressive taxation ever.

He promised to "change the tone in Washington," but instead has taken partisanship to new heights.

He promised "to confront problems, not pass them on to others," but instead has passed a greater financial burden onto future generations than has any administration in history.

He promised a new Republican Party based on "compassionate conservatism," but instead has spurred his party to historic depths of corporate cronyism.

He promised "to leave this nation greater than we found it," but instead is well on his way to placing America in greater peril, with more sworn enemies and fewer friends, than any time since the darkest moments of the Cold War.

**Ed Kilgore** is policy director of the Democratic Leadership Council. **Bruce Reed** is president of the DLC and was President Clinton's domestic policy adviser.

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He promised to "uphold the honor and dignity of the office to which I have been elected," but instead time after time has been willing to say one thing and do another.

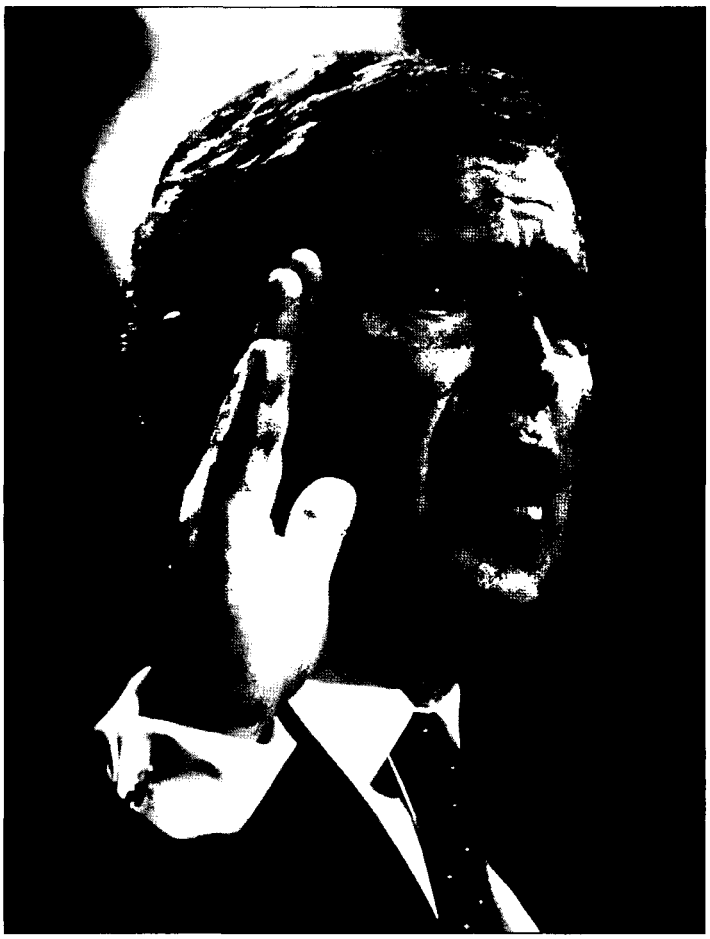
Twelve years ago, *The New Democrat* published a cover story on "the collapse of Bushism"—the realization that after three years of the first Bush presidency the conservative movement had given up trying to solve the problems—crime, welfare, government spending—on which its very existence was predicated. Now the second Bush presidency is a darker, more ominous story. The new conservatism is radical enough to reverse America's two-century-long march toward greater opportunity for the broad middle class, and brazen enough to seek the middle class's support for it. This time, the collapse of Bushism is the moral implosion of a presidency that promised to be *so much more than it has* been, and is determined to make the promise of America so much less than the American people deserve it to be.

When one measures the president against his Philadelphia acceptance speech, one finds myriad ways in which he has turned out not to be the different kind of Republican he promised to be. Bush will be vulnerable to a Democrat willing to take back the vital center precisely because the contents of his presidency are so glaringly at odds with the packaging.

But first we must review an even greater vulnerability: This administration's values have turned out to be as hollow as its promises. Throughout our history as a nation, the one value that has bound our fortunes together has been the relentless expansion of opportunity—with each passing year, the chance for more Americans to make the most of their God-given potential. The basic bargain of America has been that anyone willing to work hard deserves the chance to get ahead. The engine of our economy has been a booming middle class.

As president, George W. Bush has embraced a different set of values. He's not interested in expanding the middle class: On his watch, the middle class is paying a greater share of the tax burden even as its incomes have stopped going up. President Bush rejects the fundamental American value that hard work is the way to get ahead. He has tolerated a business culture that lets those at the top help themselves at the expense of those who do the work and play by the rules. And he has pursued an economic doctrine that says wealth matters most and work matters least. The ultimate goal of Bushism is an America where the only people left paying taxes are the ones who do the work.

That is not the American way. As Andrew Jackson said, we are a nation of "equal opportunity for all, special privileges for none." We believe in rewarding work and responsibility, not wealth and influence.



**SO HELP HIM, GOD:** Bush promised to uphold the honor and dignity of the presidency. Instead, over and over again, he has said one thing and done another.

In time, this perversion of our values may prove to be the soft underbelly of the Bush leviathan. We will never be as strong as we must be in the world if our most cherished values of work, opportunity, and responsibility are under siege here at home.

**The Job Killer.** In his Philadelphia speech, Bush promised to make "prosperity a tool in our hands," and charged that the Clinton-Gore administration had "coasted through prosperity." He said "a prosperous nation is ready to renew its purpose and unite behind great goals." He said he would "extend the promise of prosperity to every forgotten corner of this country."

Now the prosperity is gone, and no one feels it more than those who work for a living. Since Bush took office, 3.1 million private sector workers have lost their jobs (by comparison, the Clinton-Gore administration added nearly 21 million private sector jobs over eight years). At this point, President Bush is on track to become the first president since Herbert Hoover to produce a net job loss in his first term of office, and the first president since Eisenhower to produce a net job loss over any term of office.

The unemployment rate has risen from 4.2 percent in February 2001, to 6.4 percent in May 2003. In addition to the 9.4 million officially unemployed Americans, 4.6 million are working part-time because they can't find full-time work, and another 4.5 million have given up looking for work.

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**The $10 Trillion Hole in the Budget.** In his Philadelphia speech, Bush said the federal budget surplus was "the people's money." He said it shouldn't be spent and suggested it should be used to "strengthen Social Security and Medicare" or be liquidated through tax cuts.

Bush broke the Social Security and Medicare promises in record time, and he got rid of the surplus even faster.

When Bush took office, the 10-year budget of the United States forecast a surplus of $5.6 trillion dollars. Federal Reserve Board Chairman Alan Greenspan even worried publicly that the federal government might retire the national debt too fast. That's one problem the president has decisively solved.

After two big sets of tax cuts, and a variety of spending increases, the 10-year budget now projects deficits of about $4.5 trillion. That's an $10 trillion deterioration of the country's fiscal condition—an amount nearly equal to the nation's gross domestic product. The deficit this year is expected to hit $450 billion.

Because we are now adding to, not subtracting from, the national debt, the Bush administration is also violating its promises to strengthen Social Security and Medicare. Indeed, in Philadelphia, Bush said of the Clinton-Gore record on retirement security for seniors: "This administration, during eight years of increasing need, did nothing. They had their moment. They have not led. We will."

But look at the record. When President Bush took office, the budget set aside $2.5 trillion in surpluses to pay down the nation's debts and strengthen Social Security. Instead, by 2003, more than $1 trillion in Social Security surpluses have been raided to pay for the president's tax cuts, even though the baby boom generation will begin to retire this decade, creating a Social Security and Medicare solvency crisis. As noted above, the president has rammed through tax cuts that will force trillions of dollars of new public borrowing.

In his Philadelphia speech, Bush said: "Greatness is found when American character and American courage overcome American challenges." Prior to then, President Clinton and members of Congress from both parties had found the character and courage to overcome the challenge of chronic budget deficits and put the country on the road first to a balanced budget then to a steady retirement of the national debt. It took more than 30 years for the federal government to get back into the black. Now it has taken fewer than 30 months for the Bush administration to put Uncle Sam deeper in the red than at any time since World War II. That's leadership, all right—in the wrong direction.

**A Shift in the Tax Burden from the Wealthy to the Middle Class.** In his Philadelphia speech, Bush promised: "We will reduce tax rates for everyone, in every bracket. On principle, those in the greatest need should receive the greatest help." But the president has completely violated the pledge to make the size of tax cuts proportional to need.

Recall that the tax code Bush inherited was in place during the boom years of the 1990s when the country created a vast number of new millionaires, the first mass upper-middle-class in human history, and big increases in after-tax income at every level, along with giant budget surpluses and improvements in every major social indicator—crime, teen pregnancy, welfare dependency, home ownership, and others. What was wrong with this picture?

According to candidate Bush, the problem was excess federal income. And while there is nothing wrong with tax cuts targeted to achieve social or economic aims, it seems the only thing the Bush tax cuts would boost is the after-tax income of the wealthiest Americans. The Bush formula turns fairness upside down and offers middle-class taxpayers crumbs or nothing at all. "Conservatives and liberals alike agree that Bush's tax policies have shifted more of the tax burden to the middle class," wrote *The Washington Post.*

There is no dispute that taxes on the richest Americans will fall the most over the next decade.

The latest Bush tax cut left out 36 percent of American families. Despite a public relations campaign by the administration to claim cuts in taxes on corporate dividends mainly helped "granny," more than one-half of seniors were left out entirely. More than one-half of U.S. families received less than $100 in benefits. And the top 1 percent of households got more benefits than the bottom 84 percent.

Meanwhile, the president's fiscal policies have contributed to what the National Governors Association calls the worst fiscal crisis facing states since World War II. Thirty-two states have increased net taxes and fees a total of $16.2 billion, raising costs in the process for that great engine of social mobility, a college education.

A Progressive Policy Institute study of seven states (see BLUEPRINT, Vol. 2003, No. 3) shows that because of Bush's federal tax cuts, middle-income families will typically pay more in higher state and local taxes and fees, plus higher public college tuitions, than before. These extra taxes will more than wipe out the small federal tax cuts they receive as part of Bush's massive borrowing binge.

And state taxes are still rising. State governments still face immediate budget shortfalls of $75 billion to $85 billion, leading 22 governors to propose further tax increases.

**Ignoring a New Health Care Crisis.** In his Philadelphia speech, the sum total of Bush's wisdom on health care policy was a pledge to place Medicare "on a firm financial ground, and make prescription drugs available and affordable for every senior who needs them."

Thirty months into Bush's presidency, Medicare is in no better shape than when he took office. The Bush administration's one Medicare reform proposal, a vague plan that was later withdrawn, would have apparently staked the entire future of Medicare on encouraging participation in private health plans that would reduce costs by reducing coverage. In hopes of achieving a political victory, Bush has cynically supported a Medicare prescription drug plan that would abandon the longtime conservative principles of choice and competition. The plan has drawn bipartisan fire for being unfair and unworkable, and for undermining employer sponsored drug plans for retirees.

Meanwhile, the broader problems of the health care system are being ignored.

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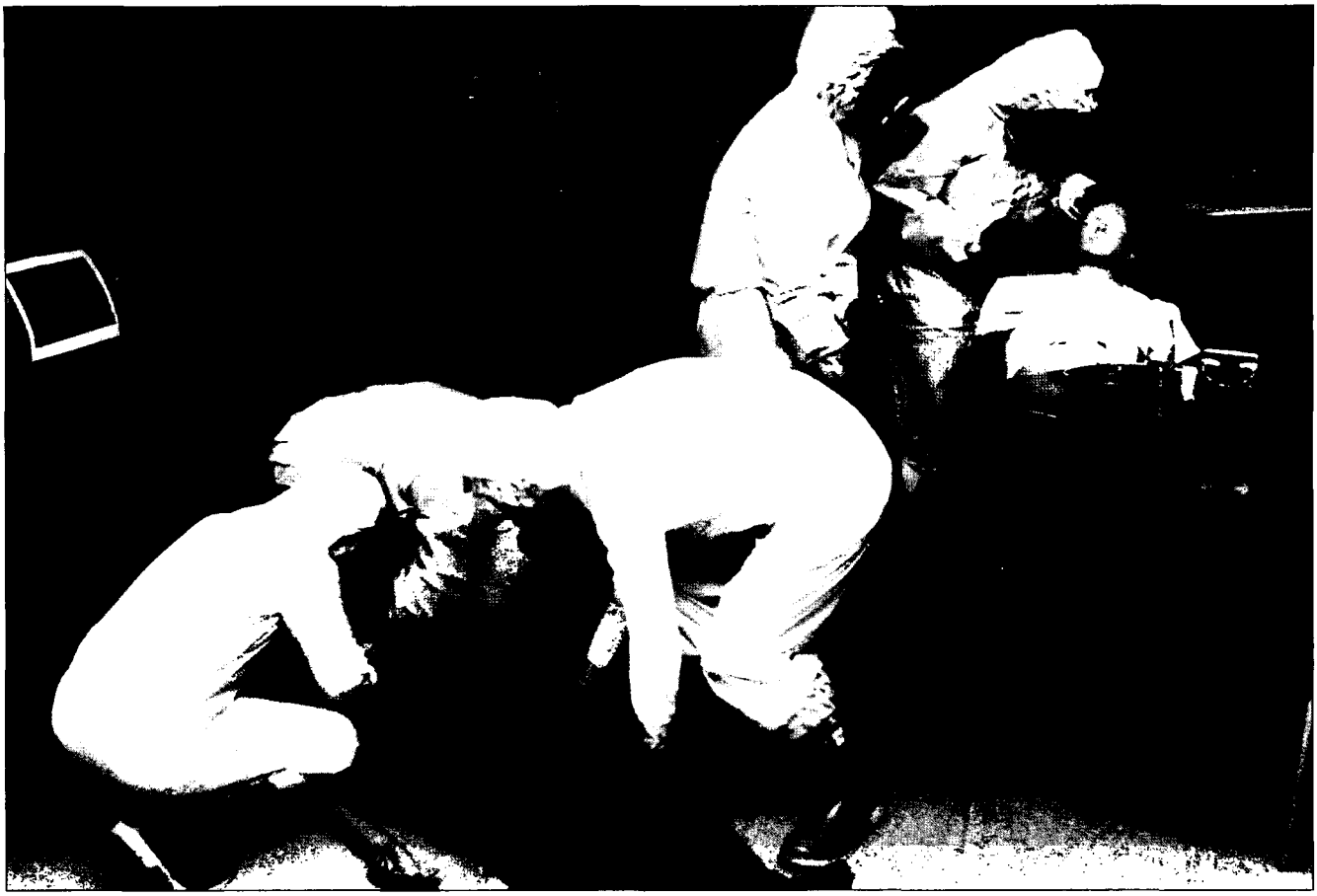

**HOMELAND INSECURITY:** Despite successes overseas, Bush has been negligent on making the homeland safe. First responders, like these practicing a drill in Alabama, have seen their budgets slashed and support from Washington withheld.

Despite Bush's rhetoric in Philadelphia about refusing to pass these problems on to our children, as of 2001, 41 million Americans had no health insurance, 8.5 million of them children. During 2001, two million Americans lost their health insurance. For those lucky Americans with private health insurance, premiums rose nearly 13 percent in 2002, the largest boost since the last year of the first Bush administration, and the second straight year of double-digit premium increases.

The administration's overall economic and fiscal policies have already helped push states into reducing health care coverage under the Medicaid and SCHIP (State Children's Health Insurance Program) programs, with an estimated 1.7 million likely to lose coverage as a result of the current nationwide state fiscal crisis.

And the administration has responded to this crisis perversely, by proposing to turn the Medicaid program—now a federal-state partnership—into a state block grant that would give the states a short-term "loan" to help balance their books in exchange for an abandonment of the federal guarantee to help pay for health care for poor people.

**Education: The Soft Bigotry of Broken Promises.** In his Philadelphia speech, Bush spoke at length about education. And he made some valid and important points: "Too many American children are segregated into schools without standards, shuffled from grade-to-grade because of their age, regardless of their knowledge. This is discrimination, pure and simple—the soft bigotry of low expectations. And our nation should treat it like other forms of discrimination—we should end it."

That's the promise Bush made on the education of disadvantaged kids: not to pass a bill or make a few big speeches, but to deal with the problem definitively, as the centerpiece of his domestic agenda. That clearly has not happened.

President Bush did support and sign the No Child Left Behind Act of 2001, which served as a good starting point for a new partnership among federal and state governments and local school boards based on strict accountability for results and greater resources and flexibility to raise achievement levels for poor schools and poor kids. But his leadership seems to have ended on the day he signed the bill.

As states and schools struggle to meet the timetable for implementing No Child Left Behind, the administration has failed to give them guidance and refuses to give them the promised resources. Meanwhile, the administration has done nothing to deal with a growing parental backlash against standardized testing and a dire shortage of qualified teachers to help students meet higher expectations. The president personally continues to waste time and attention on side issues like vouchers that excite the conservative base but offer no real solutions for public education.

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As Bush said in Philadelphia, "Those who spend your tax dollars must be held accountable." President Bush should be held accountable for fumbling his top domestic priority by failing to follow through on his own legislation and his own commitments to its success.

**Empty Promises About Compassionate Conservatism.** In his Philadelphia speech, Bush's claims to represent a new, "compassionate conservatism" were front and center, critical to the makeover of the GOP's image. Endlessly repeated during the campaign, the promise to deal with entrenched social problems through civic activism became a rationale for administration decisions to cut back investments in more traditional social programs. "Big government is not the answer," said Bush in his acceptance speech. "But the alternative to bureaucracy is not indifference. ... We will support the heroic work of homeless shelters and hospices, food pantries and crisis pregnancy centers—people reclaiming their communities block-by-block and heart-by-heart."

Well, not really, it seems. The compassionate conservatism agenda of the Bush administration has been characterized by big promises followed by tiny initiatives that were soon abandoned.

Consider the so-called Faith-Based Organizations Initiative, aimed especially at expanding "charitable choice" and allowing religious social services providers to compete for federal grant dollars. The president let House Republicans write a bill that destroyed bipartisan support by undermining anti-discrimination laws.

During the 2000 campaign, Bush promised more than $80 billion in new tax cuts to promote more gifts to charity. But despite nearly $3 trillion in tax cuts targeted to the wealthy, the administration actually reduced its proposal for charitable tax cuts by three-fourths. Meanwhile, the administration's successful proposal to eliminate (at least for 10 years) the federal estate tax is being widely interpreted as a major blow to charitable giving.

Another big aspect of compassionate conservatism has been Bush's rhetorical support for mentoring, volunteerism, and national service. In his 2002 State of the Union address, President Bush promised to create a USA Freedom Corps to help with homeland security tasks, and also called for a 50-percent increase in the size of the AmeriCorps national service program. The USA Freedom Corps turned out to be nothing more than a re-branding of existing programs. And most notably, the president stood by while a combination of Congressional Republican hostility and administrative incompetence nearly shut down AmeriCorps.

In some areas, the rhetoric of "compassion" seems to have literally no connection with administration policymaking.

# No One Else to Blame

## Under Bush, the economic outlook remains grim.

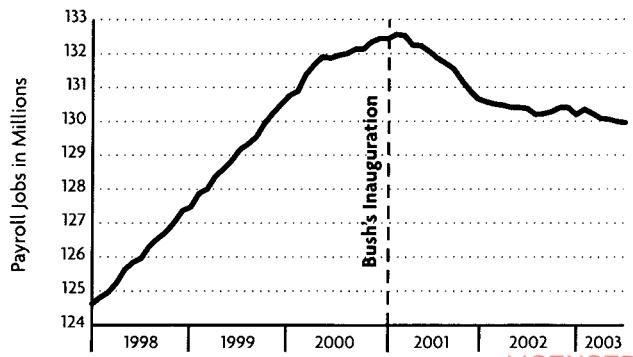
| *by* **Jeff Lemieux**

It's time to measure President Bush's economic leadership. Since 2001, the economy has benefited from a massive, prolonged fiscal and monetary stimulus. By cutting taxes and running ever-expanding deficits, the federal government has pumped a staggering $600 billion into the economy over the last 30 months. The Federal Reserve has slashed short-term interest rates to 1 percent, the lowest level since the Eisenhower administration.

So why isn't the economy recovering? With that much stimulus in place, the lack of economic recovery can't be just blamed on bad luck. Bush's economic policies are also to blame. Let's look at the results.

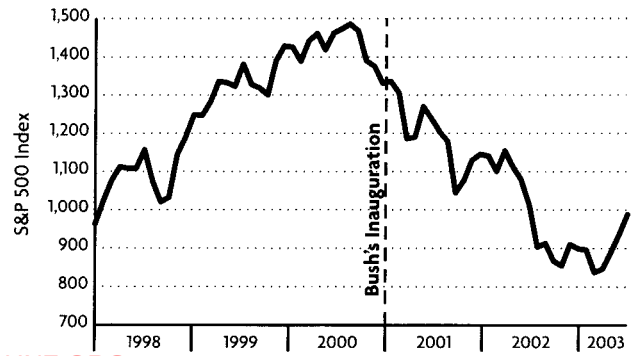
When the Bush administration took office in January 2001, the unemployment rate was 4.1 percent. In June 2003, it was 6.4 percent, the highest rate in nine years. The total number of jobs lost since

**Figure 1: JOBS AND GROWTH? NOT YET.**




SOURCE: Bureau of Labor Statistics

**Figure 2: HAS THE STOCK MARKET FINALLY HIT BOTTOM?**




SOURCE: Economy.com

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In Philadelphia, for example, Bush promised to "encourage after-school programs that build character." But then his administration pushed through funding cuts that will cause 500,000 children to lose after-school opportunities, with Bush budget officials claiming such programs are a waste of time and money and should be eliminated altogether.

The Philadelphia speech also promised an effort to make "the next bold step of welfare reform." But the president has kept this issue on a back burner, and is refusing to support an expansion of support for child care services even though his welfare reform proposal calls for tougher work standards for mothers on welfare.

In general, the Bush compassionate conservatism agenda looks like a bait-and-switch exercise, offering micro-initiatives as a rationale for big cuts in public programs that help Americans in need.

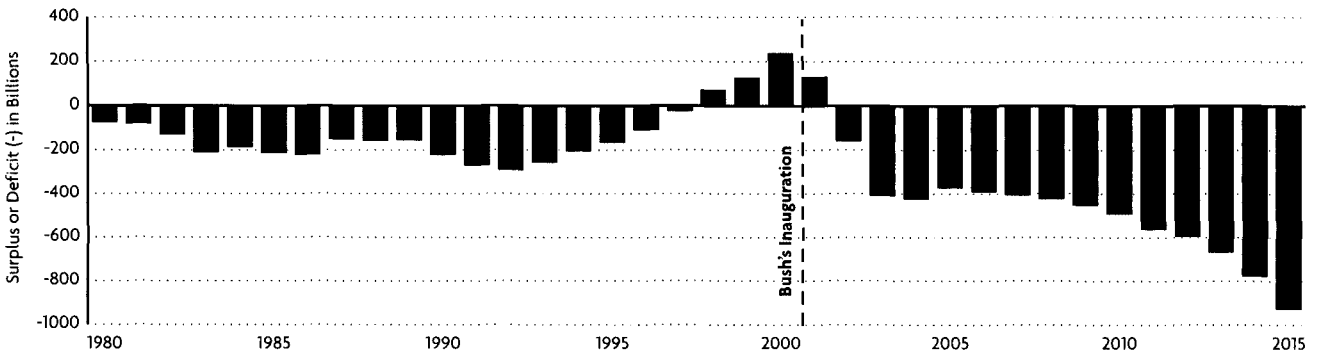
**An Aroma of Corporate Cronyism.** In a litany on the "responsibility era," Bush said in Philadelphia: "Corporations are responsible to treat their workers fairly, and leave the air and waters clean." That's true, but there's no evidence the Bush administration has taken these corporate responsibilities seriously. The Bush administration ushered in an era not of corporate responsibility but of government partisanship toward corporations. Emblematic is the administration's approach to environmental policy. Bush appointed industry insiders to important posts, and once in office, they began easing regulations and standards.

When the Enron and WorldCom scandals broke, reflecting and contributing to a loss of investor confidence that cost Americans trillions of dollars in nest eggs for retirement and college, the president quickly got in front of the posse demanding reforms and signed the Accounting Industry Reform Act. But within hours, the administration began undermining the law by narrowly interpreting its provisions, including a section that offers federal protection to corporate whistleblowers who present Congress with evidence of fraud. Today the president and his administration are celebrating their continued advocacy for corporate interests with the most extensive and expensive political fundraising campaign in history.

**National Security: Are We Safer?** National security is the hardest area in which to evaluate the promises Bush made in Philadelphia more than a year before September 11.

Most of Bush's references to national security dealt with an alleged erosion of our armed forces. Yet Bush employed that same U.S. military, whose enhanced firepower, technology, communications, and Special Forces were mostly developed during the Clinton administration, to achieve brilliant victories in both Afghanistan and Iraq. He deserves credit for those

**Figure 3: THE BUDGET OUTLOOK IS GRIM**




SOURCE: PPI

the peak in employment in February 2001 is now 2.5 million, and payroll jobs are still falling (Figure 1).

In January 2001, the S&P 500 stock index stood at 1,336. By June of 2003 it was 988, about the same level as January 1998 (Figure 2).

It's clearly the Bush administration's fault that the federal surpluses of 1998-2001 are long gone, replaced by record deficits of $400 billion a year or more (Figure 3). Unless we take action, the deficits could balloon to economically calamitous levels after 2010.

To be fair, the first year of the president's term was destined to be rocky. Few voters blame the administration for the recession that began just two months after Bush took office, in March of 2001. And no one blames Bush for the economic dislocations caused by September 11. Moreover, many economists underestimated the impact of the corporate accounting scandals, which burst into the news in late 2001 and kept the stock market depressed in early 2002.

But Bush's economic policies have failed to restart the economy. And the outlook for the latter years of this decade—when the baby boom generation starts to retire and join the entitlement rolls—is grim. ◆

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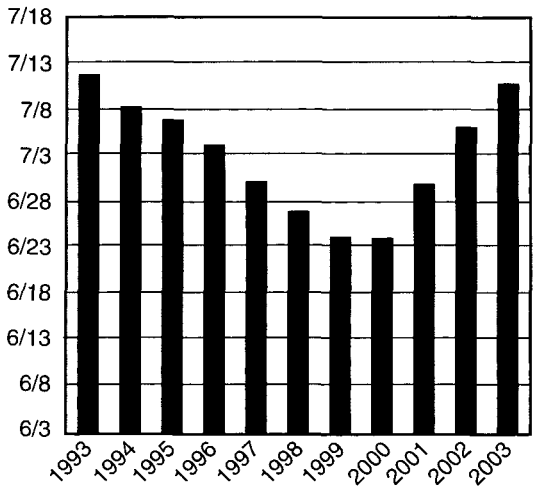
# Grover's greatest stats

Grover Norquist, Bush's grand guru of tax-cutting, dealt his friends in the White House a nasty blow this summer with his annual "Cost of Government" index. It showed that the number of days per year that Americans must work to pay for all U.S. government spending has risen steadily since Bush took office. Since 2000, federal spending is up 12.4 percent, and it takes 193 days of the year for us to pay for that through our taxes—17 days longer than it did under Clinton. In fact, under Clinton, the cost of government declined every year and, by 2000, required 10 fewer days of work than when he took office. Thanks for reminding us, Grover.

**Cost of Government Day 1993-2003**




SOURCE: Americans for Tax Reform Foundation

victories, but so do his predecessors.

President Bush has clearly risen to the occasion in many aspects of his reaction to September 11, including the destruction of the Taliban and the toppling of Saddam Hussein's thuggish regime. But in many more serious and lasting ways, Bush and his advisors have actually weakened America's security, and left our preeminence vulnerable to lapses in leadership.

So far the administration has failed to consolidate the military victories in either Afghanistan or Iraq—victories for which our troops risked and gave their lives.

Despite the rising challenge of terrorism, the administration has been passive about the need to secure weapons materials before they fall into dangerous hands—especially the huge stockpiles of vulnerable nuclear materials in the former Soviet Union.

The administration has also been famously reckless in its dealings with our allies, weakening the "coalition of the willing" and undermining a host of global and regional institutions that have served U.S. interests very well for decades. Although America has never enjoyed more power, we have rarely possessed less influence. And while the president is willing to use U.S. military power, he has been largely unwilling to deal with the economic, political, and cultural underpinnings of U.S. preeminence, neglecting challenges that have no simple military solution and failing to promote democracy unless it can be supervised by U.S. occupation forces.

But, has the president made America safer? Bush's record on homeland security has been and continues to be dangerously erratic.

The administration has been focused on the nuts and bolts of creating a cabinet-level department, which is ironic since the president opposed Democratic proposals to do just that for nine months after September 11, before abruptly reversing himself and taking credit for the idea. But in many areas, the actual tasks associated with improving homeland security have either been ignored or performed very poorly.

One of the most obvious and uncomplicated tasks is the integration of terrorist "watch lists" maintained by federal agencies. There were nine separate lists on September 11, and there are nine separate lists today, which reflects a simple lack of leadership at the top of the federal government.

A more complicated but equally urgent task is to integrate federal, state, and local law enforcement databases related to terrorist threats. But even though the federal government spends $50 billion per year on information technology, none of that money is being devoted to information sharing.

And when it comes to analyzing the intelligence that the federal government does possess, the administration is dragging its feet in implementing a central thrust of the Homeland Security Act—the creation of a new independent entity for analysis and dissemination of intelligence—as existing federal agencies have fought to control it.

There remain big holes in the system for aviation security, with background checks on airport personnel and inspection of passenger cargo representing especially glaring problems that aren't being solved. New technologies for border control, for tracking visa holders, and for basic identification, are no further along than the drawing board.

And there are also dangerous gaps in procedures to secure targets of opportunity for terrorists. But the biggest lapse of all is in the administration's cavalier treatment of the state and local government role in homeland security, which includes

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"first responders" like police, firefighters, and hospital and emergency workers, along with vast law enforcement resources that could help prevent terrorist attacks. The Council on Foreign Relations recently concluded a report on first responders thusly: "The United States is drastically under-funding local emergency responders and remains dangerously unprepared to handle a catastrophic attack on American soil, particularly one involving chemical, biological, radiological, nuclear, or high-impact conventional weapons." The report tallied the five-year cost of meeting unmet needs at $98.4 billion.

The administration has taken few, if any, steps to set up a system for information sharing on terrorist threats with state and local governments, and in fact has not even completed its own unique task of preparing a national threat assessment to guide state and local efforts. State and local governments remain unclear about their own roles in homeland security, and the administration has fought tooth and nail against significant financial assistance to help them do their jobs—first opposing assistance, then delaying it, then trying to increase it by cutting other federal law enforcement assistance programs, and finally limiting it to costs incurred many months ago. In fact, the combination of administration demands for a state and local focus on homeland security with cuts in law enforcement assistance is creating a "cop crunch" around the country that is sapping security against crime, even as crime rates begin to go back up after nearly a decade of steady declines (see BLUEPRINT, March/April 2003).

**Changing the Tone for the Worse.** In his Philadelphia speech, Bush first sounded one of the truly central and very effective campaign themes: a pledge to "change the tone" in Washington after the bitterly partisan decade of the 1990s. "I don't have enemies to fight," he said. "And I have no stake in the bitter arguments of the last few years. I want to change the tone of Washington to one of civility and respect."

That's one promise he will be unlikely to repeat in 2004, having presided over an era of bitter partisanship even worse than the 1990s.

With the exception of the No Child Left Behind Act, and more recently, a poorly designed bipartisan prescription drug bill, the president has done little or nothing to reach out to Democrats, other than to ask them to endorse his initiatives or face White House-instigated challenges back home.

The president's party in Congress, which has been slavishly subservient to him when he's made any demands on them, is setting new lows in partisanship, especially in the House, where Democrats are routinely denied opportunities to even offer amendments. Meanwhile, businesses and trade associations are openly told to fire Democratic staff and hire Republicans or lose access to the legislative process. Whatever the president's personal feelings, he has not lifted a finger or sacrificed an ounce of his political capital to encourage other Republicans to keep a lid on partisan passions. At a time when Republicans control the White House and both houses of Congress, the continued deterioration of bipartisanship must be laid at their doorsteps—and at that of their leader.

**A Growing Credibility Gap.** In his Philadelphia speech, Bush's most important theme concerned his own character and his absolute commitment, with hand held up in simulation of the Oath of Office, "to uphold the honor and dignity of the office to which I have been elected, so help me God." He said, "I do not need to take your pulse before I know my own mind. I do not reinvent myself at every turn. I am not running in borrowed clothes. When I act, you will know my reasons. When I speak, you will know my heart."

Fine sentiments indeed, but you don't have to doubt the president's personal integrity to seriously doubt the Honest Abe nature of his administration.

This administration has reinvented itself on many occasions by suddenly embracing positions it has opposed in the past (from the Department of Homeland Security, to national service, to a stand-alone Medicare prescription drug benefit, to name just a few). It's clear now that George W. Bush ran in the borrowed clothes of an agenda he never pursued. As we know from constantly changing rationales for tax cuts targeted to high earners, his actions constantly leave doubts about his reasons. And as we know from those occasions when he speaks without a text, President Bush's heart is a lonely hunter for understanding.

As for simple truthfulness, the truth is nowhere as simple as the president's promises in Philadelphia. The administration's fiscal policies have been loaded with misstatements so gross and continuous that they must be deliberate. In seeking to parry Democratic claims that the president's various tax cut proposals are targeted to the wealthy, for example, the president and his spokesmen have consistently misused the term "average taxpayers." The ploy is to figure out the "average tax cut benefit" by dividing the total tax cut by the total number of taxpayers, and then attribute it to some fictional middle-class family. But as many critics have pointed out, averages are by definition misleading: When a billionaire enters a room with 50 middle-class people, the average wealth of people in the room skyrockets into the tens of millions. This hasn't for a moment stopped the president himself from trotting out "average taxpayer" numbers on every possible occasion.

Even more mendacious is the administration's habit of using slow phase-ins or abrupt "sunsets" to disguise the cost of tax cuts. Indeed, this particular stunt represents a veritable cluster bomb of mendacity. By proposing slowly phased-in tax cuts, as in the tax rate reductions enacted by Congress in 2001, the administration simultaneously understated their full impact on federal revenues and created a rationale for accelerating their implementation in the next tax proposal. And by insincerely proposing sudden "sunsets" or terminations of tax cuts down the road, which the president has done in each of his tax cut proposals, the administration has understated their cost while creating a rationale for making tax cuts "permanent" in the next tax proposal.

The Philadelphia Story we now tell is an effort to judge the president by the fairest standard available: his own promises. Clearly,the most damning condemnation of Bush's presidency comes from his own words. Let the reader, and quite soon, the American people, judge him by that standard in 2004. ◆

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# Girding for Battle

Democrats can win in 2004, but only with the right battle plan. They must offer voters a 21st-century program for prosperity and strength to beat the 19th-century policies of the Bush administration.

| *by* *and*

DLC
Democratic Leadership Council

**DLC Memo**
**TO:** Fellow Democrats
**FROM:** Al From and Bruce Reed
**SUBJECT:** ***How Democrats Can Win in 2004***

With the 2004 election just 15 months away, Democrats have one big advantage: Every pundit in America expects them to lose it.

The gap between political perceptions in Washington and the underlying conditions in the country is greater than in any election since 1948. The economy is rocky. The world is full of peril. On the domestic front, the horizon is dark with clouds. And the White House is too confident for its own good. Yet with the right battle plan, Democrats can turn the next 15 months into a perfect storm.

That's no small task. But it can and must be done.

## The Stakes

The 2004 election isn't just a choice between two parties; it's a choice between two centuries. The outcome next year will tell us whether the 21st century will be another American Century, blessed with broad prosperity and an expanding middle class at home, and the projection of American strength and democratic values abroad. Or it will tell us we're returning to an America of privilege and exploitation like the latter part of the 19th century.

**Al From** is founder and CEO of the Democratic Leadership Council. **Bruce Reed** is president of the DLC and was President Clinton's domestic policy adviser.

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Some Democrats have echoed Ralph Nader's argument that there is little difference between the two parties—Bush and Bush Lite. They could not be more wrong. The differences between the parties are not just their programs; they are profound differences of principle and purpose.

In the last seven decades of the 20th century, America began to realize its full promise. Under a framework of Democratic Party leadership, America built what Benjamin Franklin dreamed of: the first mass middle-class society. Democrats reduced privilege, honored the values of hard work and responsibility, and brought tens of millions of citizens into the economic and social mainstream through the civil rights movement and policies to expand opportunity for all. Throughout the 20th century, America defended freedom in the world from great evil. Today, our country is the only superpower with the ability to be the greatest force for promoting democratic values, prosperity, and opportunity in the history of the world.

In large part, we finally realized Andrew Jackson's credo, which is the animating principle of the Democratic Party: equal opportunity for all, special privileges for none. The 2004 election will determine whether we will build on that foundation of progress or reverse it.

Domestically, the Bush administration has actively pursued policies that would undermine, even undo, that progress. Its tax and budget policies reward privilege, not hard work, allowing those who have it to protect it and making it harder for those who work hard and aspire to join the middle class to get there.

President Bush's political guru, Karl Rove, talks about idolizing William McKinley. As president from 1897 to 1901, McKinley protected privilege and allowed the robber barons to run free. Bush's 21st-century America more closely resembles McKinley's America, which put privilege first, than the egalitarian America of the Clinton era a century later.

On foreign policy, too, America's preeminent role in the world is threatened. The issue is not whether we will be the strongest nation in the world; we will. The question is how we will use our power. The Bush administration's chronic unilateralism and dependence on military force will diminish our power to promote democracy and market economics in the world.

*So the stakes in the 2004 election are enormous. We're not just choosing a president. We're choosing a century.*

## THE BATTLE PLAN

At a recent DLC meeting, Bill Clinton—the last Democrat to beat an incumbent president—outlined a three-part strategy for how a candidate could do it again: *1) reassure voters that he'll keep what they like about George W. Bush's policies; 2) tell them some things they don't know about George W. Bush—and wouldn't like if they did; and 3) show that he'll give them what a second Bush administration won't.*

Clinton remarked, "This is not rocket science. In 1992, I said: 'Look, I'll have a strong America, we'll represent your values, we'll be strong on crime, we'll be for preferring work over welfare. By the way, we'll bring the American economy back, we'll do it in a way that preserves the environment, we'll move more poor people into the middle class. ...' The message was, we'll give you what you like about the other guys, and we'll give you these things that they won't give you. This is not complicated."

Here's how to turn the Clinton formula into a winning battle plan for 2004.

### STEP # 1: Match Bush's Strength on National Security

What voters like about President Bush is that they think he'll keep the country strong and safe. By huge margins, they trust Republicans over Democrats on fighting terrorism and strengthening national security.

Democrats may not win those issues in 2004, but they must at least neutralize them. They need to convince the American people that they can be trusted with the nation's security and that they will keep our country safe. That will require more than me-tooing the president on national security and fighting terrorism. Democrats will have to engage that debate and offer ideas of their own. The first job of the president is that of commander in chief; in times of danger, that responsibility becomes a threshold issue.

The war against terrorism is likely to be as defining a political experience for the next generation of voters as the Vietnam War was for the baby boomers. For example, national security and domestic defense have recently emerged, for the first time, as top concerns among women. As *TIME* magazine wrote recently, soccer moms are becoming security moms. Until further notice, security will be a threshold issue in American politics.

Democratic candidates certainly have plenty of good ideas for keeping the country safe. They include strengthening and reorganizing our intelligence capacity; modernizing the military; increasing cooperation with our allies in the war against terrorism; increasing support for local law enforcement, fire departments, and first responders; and building the capacity of public health agencies to combat chemical and biological attacks.

Thus, Democrats have plenty to tell voters about what a Democratic administration will do to make America safe. In the 2002 midterm elections, Democrats looked weak trying to change the subject. This time, they have to address it head-on.

### STEP #2: Make Bush Run on His Record—It's Worse Than People Think

Here at home, the White House's biggest worry should be the yawning gap between the president's poll numbers and his record. There's a great deal that Americans don't know about the Bush presidency and won't like when they find out.

Most Americans know the economy is weak, unemployment is up, and the stock market is down. But in the constant swirl of events since 9/11—two wars, repeated terrorism alerts, and a spate of corporate scandals—they haven't had a moment to step back and decide

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what to think. That's why the Bush White House is working so hard to keep voters (and the Democratic Party) off balance. They know the president may not do so well when the music stops.

*By any objective standard, Bush's record on the economy is the worst since Hoover's. Indeed, Bush is about to become the first president since Hoover to preside over a net loss of jobs in his first term.* The record that cost his father re-election even looks good by comparison. Congress has given Bush everything he asked for, and none of it has worked. Jobs continue to vanish, and Bush is reduced to whining that he wouldn't be losing them if Clinton hadn't created so many of them.

At the same time, Bush has abandoned the one economic certainty that voters expect from Republicans: that they will keep government spending in check. The president has presided over an $11 trillion swing from surpluses to deficits; he offers no plan to reverse it; and as the leading fiscal offender, has no one else to blame but himself.

That leaves the president one issue—tax cuts. *If Democrats take the bait and mount a crusade to take away middle-class tax cuts, Bush will prevail. But if Democrats turn the issue around, and come out for lowering the middle-class tax burden instead of helping the wealthy, Bush will have nothing left to say. He can't rest on his laurels, because most of the middle class will be paying as much or more in taxes as before, while their portfolios are down and their incomes have stopped going up.*

For all its political savvy, the Bush White House fails to understand that voters don't keep track of how many times Congress cuts their taxes. They look at what's left of their paychecks, and whether their after-tax income is heading up or down.

By that measure, the Bush record looks poor indeed. After the longest economic boom in history, middle-class incomes are flat. And because states and cities have had to raise taxes and fees to pay for schools, cops, roads, and college, many middle- and working-class families are actually being stuck with a net tax and fee increase.

Since the beginning of the Bush administration, because of revenue shortfalls and cuts in federal support, 32 states have been forced to raise taxes and fees. More increases are on the way: Twenty-two governors have already submitted budgets proposing to raise taxes again this year, and more will do so next year.

The Progressive Policy Institute reviewed the impact of state tax increases and university tuition hikes in seven states. In all cases, the study found that state tax and fee hikes were greater for many middle- and working-class families than Bush's 2001 federal tax cuts.

Then there's the cop crunch. In the 1990s, after decades of neglect, by hiring more cops we finally began to reverse the ratio of law enforcement officers to crimes committed. But since Bush took office, police hiring has come to a standstill. A survey we recently conducted found that, compared to the 1990s, hiring at big-city police departments is down 90 percent, even though crime rates are on the rise and the threat of terrorism continues unabated. The reasons: The economic slowdown has cut local revenues and the president has cut the successful COPS program and refused to provide aid to state and local governments to tide them through their hard times.

This situation will only grow worse in 2004. Even now, cities across America are slashing police budgets, shrinking police forces, and scaling back successful crime-fighting programs. Even if the economy miraculously were to turn around by the end of this year, or if the Bush administration were to reverse course and finally support giving local police departments a boost, it might be too late. By next year, most Americans will have been touched by the cop crunch.

As we detail in this magazine *(see "Philadelphia Story," page 4)*, the list of Bush's shortcomings and broken promises is long. The voters won't like it when they find out.

### STEP # 3: Tell America What We'll Do Better

In the end, the key to a Democratic victory next year will be what Democrats offer voters that they won't get from President Bush. Democrats need to offer a plan that will do what Bush has proved he won't.

Like the bill of particulars against Bush, the agenda of what Democrats can do better is considerable. Bush has no agenda for the forgotten middle class. But Democrats do: grow the economy, create jobs, raise incomes, and give the middle class a piece of the rock.

That's why the agenda we outline in "The New Democrats' Declaration" *(see page 16)* is so important. *Democrats will never outraise or outspend Republicans. But Democrats can outthink them.*

With the electorate split down the middle, a candidate—particularly a Democrat—can win the presidency only if he convinces the voters he's better than his party. That's because neither political party is a majority party. In fact, when asked their party preference, more voters routinely choose independent than either Democratic or Republican.

With American politics in flux and the parties at parity, each election starts from scratch. Not so long ago, enough voters had a history with one party or another that a nominee could concentrate on getting his voters to the polls. Today, a candidate has to perform a more difficult feat: to inspire his party base *and* hold his own among swing voters who have shunned that party for a reason.

*There is only one winning formula in today's politics: A presidential candidate must prove that he is better, and bigger, than his own party.* In 1992 and 1996, Clinton won by showing voters that, contrary to what they may have believed about Democrats, he was willing to reform welfare, fight crime, and balance the books. In 2000, George W. Bush sneaked in by persuading voters that, in contrast to the harsh, slashing conservatism of Newt Gingrich, he was a Republican who welcomed immigrants and cared about education.

Of course, President Bush turned out not to be a different kind of Republican at all. He reverted to type—protecting privilege with tax cuts for the wealthy, taking conservative stands on social

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issues, trying to starve government, and pursuing a unilateralist foreign policy.

Bush will have a harder time showing he's better than his party this time around. That's a real opening for any Democrat who can rise above the Democratic stereotype. *A different kind of Democrat has a chance against a this-is-your-father's-Oldsmobile Republican, a conventional Democrat does not.*

That's why the Bush White House desperately hopes that Democrats will make the 2004 election an ideological contest between liberals and conservatives. That is the one battle Republicans know they can win. In such a battle, they will never have to answer for the worst economic record of any administration since Hoover's.

Democrats don't have to compromise their principles to win back America's trust. On the contrary, they need to live up to the Democratic Party's best traditions: Jackson's belief in equal opportunity for all, special privileges for none; Roosevelt's passion for bold reform; Truman's tough-minded internationalism; Kennedy's ethic of civic obligation; Johnson's commitment to equal rights; and Clinton's insistence that opportunity and responsibility must go hand in hand.

Fidelity to those traditions offers the best platform for winning over a country that remains skeptical of both parties. *A Democrat who is not afraid to use American power in dangerous times, who wants to reform government rather than just expand it, and who offers a plan to grow the economy and increase middle-class incomes, not the middle-class tax burden, can beat Bush in 2004. A Democrat who fails to overcome America's lingering doubts about security, or who raises new doubts by promising to increase government as dramatically as conservatives hope to shrink it, will not.*

### STEP # 4: Be Patient—A Year Is a Lifetime in Politics

Here in the dog days of 2003, Democrats need to remember the election is next November. Despite the early polls favoring President Bush, Democrats have good reason to be optimistic. This election will move their way.

To be sure, President Bush is a solid favorite in the current re-election betting. That's why he can raise $200 million so easily: Every Republican is certain he will win. Unfortunately for Bush, there are some things money just can't buy. His campaign war chest can't change the fact that in the most recent Gallup Poll, more than one-half of those asked are dissatisfied with the direction of the country and nearly three-quarters believe the economy is in the tank. Unless those numbers change, they could spell trouble for the president.

The American people rightly credit the president for his strong response after 9/11 and for the victory in the war in Iraq. His approval rating in the latest Gallup Poll stands at a strong but not spectacular 61 percent. Meanwhile, his Democratic challengers are struggling to survive a grueling and often unruly primary process that always makes their party look confused. Democrats are lucky the election *isn't* this November.

By next summer things will look different. The president's job approval has been slipping since the end of the war, and it could slip even more over the next year. His father's approval rating, by comparison, was higher at this same stage of the political cycle—a lofty 72 percent in the middle of 1991. Thirteen months later it was 31 percent.

Now, we're not saying that President Bush will suffer the same kind of precipitous fall as his father. The point is that, as a recent Gallup study concluded, polls taken this far from Election Day have no bearing on a president's prospects for re-election.

A year from now, the opposition will crystallize. Instead of a political cacophony, the nation will hear the single voice of a Democratic nominee, poised to go one-on-one with the president.

Voters will learn things about President Bush and his record that they don't know and won't like. So far, Bush has been able to duck responsibility for the negative consequences of his policies, but next year he may run out of mañanas.

### STEP # 5: Let Hunger for a Better President Trump Anger Toward This One

Even as the Democratic candidates do fierce battle for the favor of Democratic activists in the primary season, they need to keep in mind a simple reality: The Democratic faithful aren't the only people who vote; independents and Republicans will make up about two-thirds of the electorate next fall.

In some early primary and caucus states, there's a visceral dislike of George W. Bush among many Democratic voters. But as polls show, even among Democrats there are more moderates and conservatives then liberals. And, no matter how angry they are at Bush, there are simply not enough Democratic faithful to send the president into early retirement.

Most polls show nearly two-thirds of the American people say they like George W. Bush. So Democrats can't count on the disdain they feel toward him alone to get them far next year. Anti-Bush fervor will get core Democrats to the polls, but it won't beat Bush. To do that, Democrats need to convince a quarter of the voters who like him personally to reject his politics and hire someone else.

That will be no small feat. But it can be done.

The key to victory is to keep those angry Democrats energized *and* to appeal to swing voters—moderates, independents, and even some Republicans—who like President Bush but could be convinced to replace him with a Democrat.

Most Democrats, like most Americans, don't want a party that speaks for organized interest groups. They want a party that tackles problems with practical solutions, and speaks with a clear sense of national purpose.

With so much at stake in this election, we're convinced that Democrats will keep their eyes on the real prize: all the good they can do for country, and the ill they can prevent, by electing a new president in 2004. *The middle class is up for grabs next year. If the party that built the middle class welcomes them back into the fold, Democrats and the country will prove the doubting pundits wrong once again.* ◆

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# The New Democrats' *Declaration*

*Two hundred twenty-seven years ago, democratic insurgents and reformers came to Philadelphia to forge a new country that would forever change the course of human events. They gave us a nation and a government based on immutable, enduring values: work, responsibility, liberty, equal opportunity for all, special privileges for none.*

*Now, at the dawn of what ought to be America's greatest century, too many of our country's leaders are trying to leave behind the values and aspirations that have made America great. If we continue on the present course, the promise of America will never be the same.*

*President Bush has not kept the promises he made America three years ago in Philadelphia. His administration promised to expand our prosperity, but has squandered it. The administration has failed to address the real problems that most Americans face: paying the soaring costs of health care and college; saving for retirement; balancing work and family. It has burdened, betrayed, and abandoned the middle class and all who aspire to join its ranks.*

*We want more for America. We will ensure that the values, security, and aspirations of the broad middle class are forgotten no more. President Bush has no agenda for the forgotten majority. We do. The party that helped build America's great middle class is determined to save it.*

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# What We're Fighting For

The beliefs we hold are neither liberal nor conservative, but progressive, and in the vital center of American values and aspirations. They represent a new and different course for the country that is more important than any party.

***We believe*** Americans once again face a grave threat to our security, and we will give top priority to mobilizing the nation's resources to meet and defeat our nation's enemies. We believe the most fundamental test of national leadership today is the willingness to stand up and fight for America.

***We believe*** America must lead the world, not dominate it. The central mission of our time is to defend America's security and ideals in the world through progressive internationalism—the bold exercise of U.S. leadership to foster peace, prosperity, and democracy. Working with democratic allies and international institutions makes us stronger, not weaker.

***We believe*** that the United States must maintain a strong, technologically superior defense to protect our interests and values. We must never be afraid to use force to keep our people safe or make the world a less dangerous place. But force is not our only strength. We must also use our might to earn the world's respect, not mistrust, and to enlist our friends in a worldwide fight for freedom, not inspire more enemies to thwart the American cause.

***We believe*** government's first responsibility is to keep its citizens safe. The Bush administration has asked too little of the American people and done too little to make them safe, failing to reorganize Washington bureaucracies around the new demands of domestic security and denying help to the communities and responders who are America's first defense. Government should give all Americans a role in their own safety, not tell them every few months that their only job is to be scared.

***We believe*** in expanding opportunity, not bureaucracy. We believe our elected leaders have a responsibility to spend every tax dollar as carefully as their own. Fiscal discipline is fundamental to sustained economic growth as well as responsible government. America cannot prosper if we don't live within our means.

***We believe*** in democratic capitalism—giving all Americans willing to work for it the chance to do well and share in America's prosperity. Government's responsibility is to put its own house in order, keep the private sector honest, expand markets here and abroad, and equip Americans for economic success and security. We should give people the tools to get ahead, not promise them the moon on their nickel.

***We believe*** that the best way to increase the economic well being of working Americans is to spur strong economic growth. To do that, our economic policies must be designed to boost productivity and employment. The Bush administration's myopic and backward-looking tax cuts for the wealthy neither create jobs nor boost productivity.

***We believe*** our economy should favor people who work hard and play by the rules, not those who are already at the top. The private sector is the engine of economic growth. But the strength of our economy depends on corporate leaders living up to their responsibilities to their workers and their shareholders.

***We believe*** that a progressive tax code is the right way to pay for government. We will reverse Republican policies that reward wealth, not work. When so many families' incomes have stopped going up, it is wrong to increase the middle-class tax burden.

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***We believe*** that education must be America's great equalizer, and we will strengthen our public schools, not abandon them or tolerate their failure. We should give parents more choices among public schools, pay teachers better and expect more in return, and give all Americans willing to work or to serve the chance to earn their way through college and graduate debt-free—not shut down a decade's progress on education reform and access to college by forcing states to cut back or raise tuition bills and property taxes.

***We believe*** it is our obligation to secure cleaner air and cleaner water, and to protect and preserve God's green earth for future generations. We reject the Bush administration's false choice between environmental protection and economic growth, and offer a new approach that will spur new jobs and technologies with the power to improve public health and safety here and around the world.

***We believe*** that national security and energy security go hand in hand, and support a "clean growth" energy policy that unleashes our capacity for innovation to improve the way we use energy resources today and speed development of the cleaner, more efficient technologies of tomorrow.

***We believe*** that government must ensure all Americans access to affordable health insurance and require in return that parents take responsibility for covering their families.

***We believe*** in preventing crime and punishing criminals and that America's criminal justice system should be rooted in and responsive to the communities it serves.

***We believe*** in a new social compact that requires and rewards work in exchange for public assistance and that ensures that no family with a full-time worker will live in poverty.

***We believe*** the family is the foundation of American life, and that we cannot truly call ourselves the richest country on earth when parents don't have enough time with their children. Government and businesses have a responsibility to help parents balance work and family, and parents have a responsibility to support their children and spend the time to raise them right.

***We believe*** in reforming democracy and government to strip away top-down bureaucracy and give citizens and communities the power to solve their own problems. We must be willing to reform old programs in order to preserve our oldest values.

***We believe*** government must combat discrimination on the basis of race, creed, gender, or sexual orientation; defend civil liberties; and stay out of our private lives.

***We believe*** that the common civic ideals Americans share transcend group differences and forge unity from diversity.

***We believe*** that abortion should be safe, legal, and rare.

***We believe*** that American citizenship entails responsibilities as well as rights, and we mean not only to call on our citizens to give something back to their communities and their country but also to expand the opportunities for them to do so.

***Finally, we believe*** Americans deserve a government that upholds their values of faith, family, liberty, responsibility, equal opportunity, and hard work. The time has come for New Democrats to usher in a new era—where Americans' safety is paramount, family is honored, hard work is rewarded, responsibility is a way of life, and our leaders put country first.

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# A New Agenda for the Next Decade

## 1. *Making America Safe*

America is fighting a two-front war against terrorism and the hateful ideology of holy war that inspires it. To win this war and keep Americans safe, we must create an effective system of homeland defense and rally the world's democracies behind a new strategy for extending liberty and prosperity to the Middle East.

After World War II, America reorganized itself to fight the Cold War. The National Security Act of 1947 revamped the Armed Services and created the CIA and the NSA. Today we need equally dramatic and sweeping changes to protect ourselves against terrorist attacks at home.

To strengthen our domestic defenses, we propose to:

- ***Reform the security and intelligence agencies the current administration has been too timid to fix:*** We need to reform the FBI, by creating **a new domestic intelligence capacity** that can detect and prevent terrorist plots on our soil.
- ***Give communities the resources to keep their citizens safe:*** Washington needs to **give states and cities the funds to hire more police, firefighters, and first responders**, instead of cutting back vital law enforcement programs and driving up state and local taxes.
- ***Bolster a homeland defense system that secures our freedom, and doesn't trade away our civil liberties:*** Instead of the Ashcroft Doctrine of unlimited powers and secret arrests, we should take steps that will actually make America safer, like **enhancing the ability of government at all levels to gather and share intelligence** about potential terrorist activities here at home.
- ***Strengthen our borders:*** America is a nation of immigrants, and our social and economic future will be made stronger by attracting more immigrants, not fewer. But the INS is broken, and this administration has no idea how to fix it. It is time to adopt new technologies such as "**smart visas**" that help authorities keep tabs on people who have overstayed their visas or have tried to change their identity. We must also increase **cargo inspections** to stop dangerous materials from entering the United States in the first place.

After a decade that brought the longest sustained decline in crime ever recorded, this administration has sat back and watched the crime and murder rates rise again. We need more police, not fewer; stronger enforcement against gun crime, not empty rhetoric; and a national effort to reduce crime and punish criminals, not a return to the days when politicians in Washington talked tough but did nothing to help.

To make America's crime rate go down again, we propose to:

- ***Stop the cop crunch:*** At a time of rising crime rates and unprecedented threats to our homeland security, this administration has caused a reckless, dangerous hollowing out of the nation's police forces. Washington should help communities **put more police on the streets**, not fewer.
- ***End the revolving door of crime:*** We need to **stop the revolving door** of probation and parole that looks the other way while criminals commit crime after crime. We need **regular drug testing and mandatory treatment** for those in the criminal justice system. Probation, parole, and drug violators should receive real, automatic, and escalating punishment. We need to hire **more probation and parole officers**, and get them out of their offices and onto the streets. Finally, we need to give offenders who are ready to turn their lives around the chance to do it.
- ***Unleash new technologies in the war on crime:*** We need to give police **new tools that arm them with the information** they need about criminal suspects to avoid random searches; allow lower-cost supervision of people on probation or parole; and make it possible to disable or trace guns used by unauthorized persons.

## 2. *Winning the War on Terror and on the Causes of Terror*

To win the new war, Americans need to be tough on terrorism and tough on the conditions that breed terrorism. Those conditions include harsh political repression, economic stagnation, and fears of cultural decline.

The United States must fight implacable enemies who are willing to give their lives to take ours. But we must also win friends among the moderate majority of people in the Muslim world who do not subscribe to hatred and violence.

The Bush administration has a plan for waging war but no plan for winning the peace. It invests billions in weapons of destruction and pennies in the tools of peaceful construction. It has militarized American diplomacy, even putting the Pentagon in charge of the nation-building it once scorned. And the president's unilateral bluster has needlessly turned world opinion against America.

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We seek an America that is admired for the enlightened ways it uses its enormous power, not despised for throwing its weight around and riding roughshod over the opinions of other countries.

So, as the work of reconstruction begins in Iraq, we need to repair our damaged relations with our European and other key allies, engage the United Nations and other key international institutions, and rally the international community around a new strategy for liberalizing the greater Middle East.

Therefore, we propose to:

- ***Drain the swamp:*** The United States needs to **support democracy in the Middle East, not stability**. There is no excuse for the old logic that led the first President Bush to leave Saddam Hussein in power and leads the current administration to stress America's "strategic partnership" with corrupt autocracies like Saudi Arabia and Egypt. The United States needs to throw its political and economic weight and moral prestige firmly behind the true reformers in the region. We also need to redouble efforts to reduce our dependence on imported oil, to lessen the leverage that oil-rich Arab states have on our foreign policy.
- ***Seed the garden:*** We need a **Middle East trade initiative** comparable to the African Growth and Opportunity Act to bring that region into the modern world, and help those countries open their economies to trade and investment so they can grow and meet the material needs of their people.
- ***Reward reform:*** It's time for a **radical change in foreign aid** to make it more strategic, more generous and more selective. Instead of doling out help based on economic need, we should reward nations that show real commitments to openness and reform, and give nothing to regimes that don't.
- ***Transform our military for the 21st century:*** We must ensure that our Armed Forces have the personnel, weapons, and doctrine to win conflicts quickly, decisively, and with lasting results whenever we call our troops into battle. The wars in Afghanistan and Iraq showed that our military forces have already successfully taken the first steps toward the necessary transformation. They fought both recent conflicts with lightning speed, precise targeting, total information dominance, and the kind of adaptability and flexibility to react quickly to changing realities on the ground. We must now **accelerate and complete military transformation**.

Finally, we need a president who understands how to exercise America's enormous power in a way that makes it easier rather than harder to promote our interests and values. Here, President Bush has clearly failed to understand that the growing power gap between America and everyone else is becoming a central issue in world politics. His belligerent, tone-deaf diplomacy has needlessly alienated old friends and allies, rattled adversaries and raised doubts around the world about America's motives.

We need a president who understands the difference between a democratic republic and an empire. A republic leads by example, not by maladroit bluster and bullying. A republic shows a "decent Respect to the Opinions of Mankind," as Thomas Jefferson put it in the Declaration of Independence. A republic understands that its diplomacy must be backed by the credible use of force. But a republic as strong as America is today also understands that we must exercise self-restraint and work with allies and through international institutions to reassure others that our strength is harnessed to universal values of prosperity and liberty.

## *3. Giving All Americans the Chance to Get Ahead*

There can no longer be any doubt: The Bush administration's economic strategy has failed. Congress has given the president all the tax cuts he wanted, and yet on his watch the private sector has lost more than 3 million jobs, the incomes of ordinary Americans have stopped growing, and the nation is left with staggering bills that will cost us for generations to come.

America needs a new growth economics that boosts productivity so that we can raise incomes without ballooning the deficit or cutting key government services; that invests in knowledge and scientific research as the key drivers of growth; that promotes robust competition in the private sector as the best tool to drive innovation and productivity; and that recognizes fiscal responsibility as a prerequisite of growth. Our economic strategy will restore fiscal discipline to the government, progressivity to the tax code, responsibility to the markets, and job and income growth to the American people.

To put economic policy back in line with America's values, we propose to:

- ***Stop Washington from spending and giving away money it doesn't have:*** We must restore **pay-as-you-go rules** so Congress can't enact a new spending program or a new tax cut without offsetting savings to pay for it. Congress also must restore **annual caps** on discretionary spending. Government spending shouldn't grow faster than Americans' incomes.
- ***Invest in the building blocks of the knowledge economy:*** We need to significantly enhance the ability of the public sector to work in partnership with companies and individuals to boost knowledge and innovation. We must reverse the Bush administration's cuts to key public investments in science, technology, innova-

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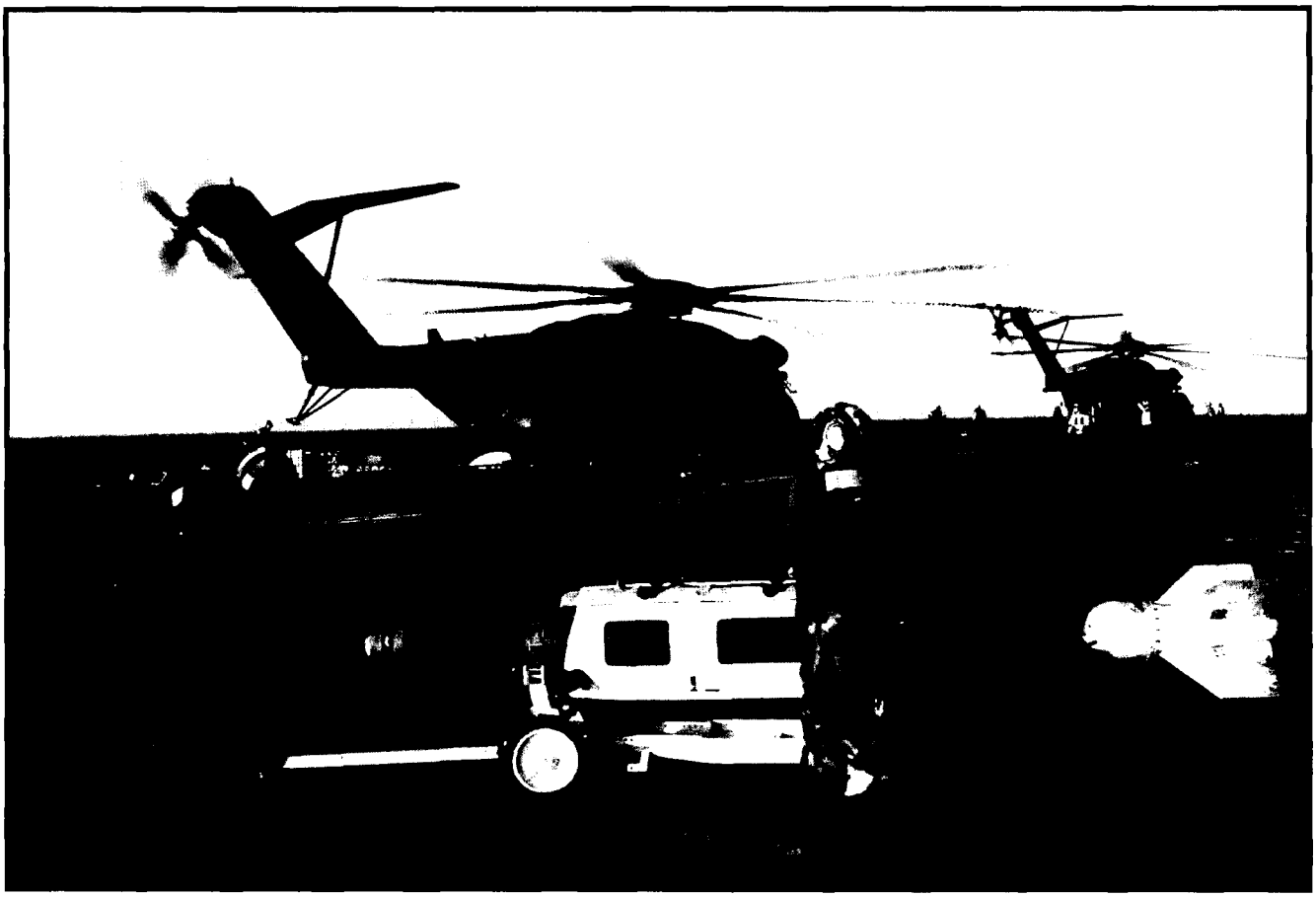

**SECURITY FIRST:** Keeping our nation safe is the most important task of leadership; we believe in facing up to the grave threat to our security, and in continuing to transform our military for 21st-century combat.

tion, education, and skills, as those investments play a critical role in providing the fuel to run a high-powered, knowledge economy.

- ***End corporate welfare as we know it:*** Our government hands out about $65 billion in subsidies to corporations each year for such things as advertising V-8 juice and Friskies cat food overseas. We need **an independent commission**, modeled after the military base-closing commission, to scrutinize and eliminate corporate subsidies.
- ***Cut taxes for the middle class, not the wealthy:*** Instead of expanding opportunity and rewarding work, the Bush tax cuts in 2001 and 2003 stifled prosperity, rewarded privilege, and shifted more of the tax burden onto the middle class. The tax cut windfall for the very wealthy should be canceled.

This administration believes in ending the taxation of wealth, and pinning its hopes for economic growth on the wealthy. We have a very different vision of economic growth: **democratic capitalism**, the idea that the American economy will grow faster if every American has the chance to get ahead. When workers have more of a stake in prosperity, their companies and our economy will grow faster. When we demand responsibility and punish rather than ignore those who break the rules, it won't just make our values stronger, it will strengthen our markets. When we reward hard work, no citizenry on earth is willing to work harder.

Government's job is to equip working Americans with the tools for economic success. To fulfill that goal, we propose to:

- ***Reward work, not wealth:*** The current administration's economic values are bad for America. It is wrong that a billionaire now pays a lower tax rate on what he owns than his secretary pays on what she earns. **The very wealthy should not pay lower taxes on the stocks they trade than middle-class and working Americans pay on the hard work they do.**
- ***Reform the tax code to help families get ahead:*** Instead of annual tax giveaways for the wealthy, America needs **tax reform and relief** to make our economy stronger, our tax code simpler, and our families better off—by helping young people **buy a home**,

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making it easier for families to **invest and pay for college**, and giving all Americans the chance to **save for retirement**.

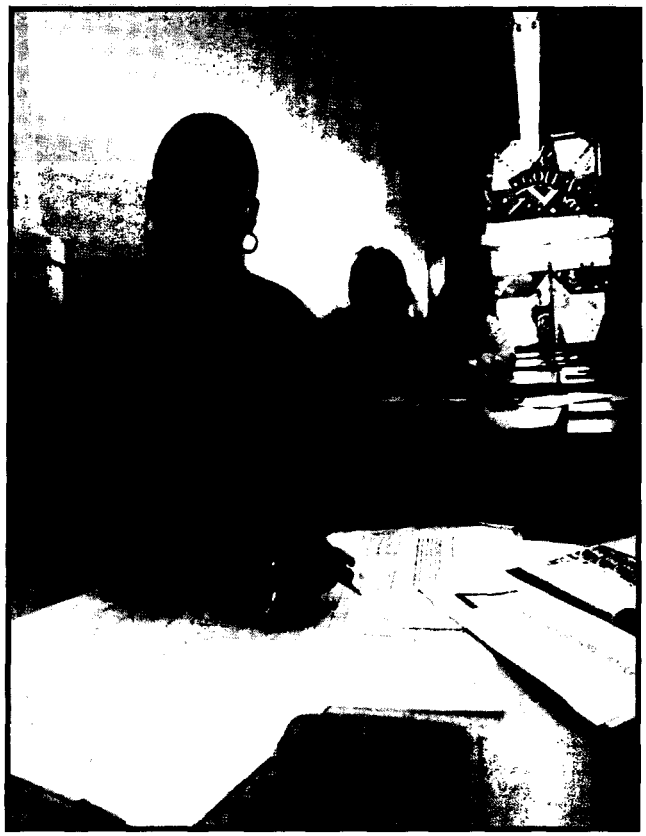
- ***Give all Americans the chance to own a piece of the rock:*** We should give firms incentives to offer **stock options to all their workers**, not just top executives. We should use the tax code to make it easier for **poor and middle-class families to accumulate wealth and savings**.
- ***Expand the winners' circle:*** To make sure every worker has a stake in the New Economy, we need to overhaul the current bureaucratic training system, and provide a system of lifelong learning based on flexible "**New Economy Work Scholarships**" that let dislocated workers choose the training and skills they need. We must also **modernize the outdated unemployment insurance** system by making it a trampoline, not a safety net, so that unemployed workers can get training, and low-wage and part-time workers who lose their jobs through no fault of their own don't get left behind.
- ***Open new markets:*** Rising exports sparked 30 percent of American growth in the 1990s. We will restart this growth engine by **reducing barriers to American goods and services** in the Western Hemisphere and the world at large, and put money in family bank accounts by **eliminating regressive import taxes** on clothes, shoes, and other goods at home.
- ***Give every worker a chance to save in a universal pension account:*** We should overhaul the current system to give workers more control over their investment choices, and fold today's myriad tax-favored savings accounts into one "**universal pension**" that workers would take from job to job.

## *4. Demanding Reform and a Real Responsibility Era*

America deserves a new era of real responsibility and reform. Despite his promise, the president has delivered neither at a time when Washington and Wall Street cry out for both. After the greatest corporate scandals in history, we need to take bold, clear steps to promote competition and restore confidence in markets. We must break the business culture that encourages those at the top to look out for themselves at the expense of their shareholders and workers.

With the largest deficits in history, Washington must stop doling out special favors to special interests. We need to reform government to make it work better, not just grow bigger. We need to restore participation and confidence in our democracy.

At a time when much of the world is emulating American values and institutions, too many Americans have lost



**FINISH THE JOB:** We must ensure that everyone who can work does. That means investing in training hard-to-employ welfare recipients.

confidence in their political system. They are turned off by a partisan debate that often seems to revolve not around opposing philosophies but around contending sets of interest groups. They believe that our current system for financing campaigns gives disproportionate power to wealthy individuals and groups and exerts too much influence over legislative and regulatory outcomes.

It is long past time to launch the most sweeping political and corporate reform effort since the Progressive Era. We propose to:

- ***Return politics to the people:*** As campaign costs soar at every level, we need to move toward **public financing** of all general elections and press broadcasters to donate television and radio time to candidates. We should **do away with closed primaries and caucuses**, which take away the voice of the largest group of Americans—those who don't affiliate with either party. For the same reason, we should **break up the congressional redistricting monopoly**, in which both parties endlessly gerrymander to protect incumbents and take away voter choice.
- ***Hold corporations accountable:*** The future of our free enterprise system depends on setting and enforcing clear rules of the road. We need to give stockholders more say over the companies they own, and stop the scandal of excessive CEO pay. We also need to promote real competition in every sphere, including **ending laws shielding businesses from online competition**.

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- ***Replace bureaucracy with network government:*** Much of what government does is too bureaucratic, too centralized, and too inefficient for the 21st century. We need to **bring government into the Information Age** by using information technology and the Internet to allow citizens to **conduct all business online**; to **measure results and publish information on performance**; and to push decisions down to communities while holding them to high standards of public accountability. It's time to go beyond reinventing old bureaucracies, and instead replace them with more agile **performance-based organizations**. We also support closer collaboration between government and civic groups, including faith-based organizations, in tackling public problems.

## 5. *Offering a New Bargain on Health Care*

America's health care system costs too much, asks too little, and fails to capture the promise of a new era that could offer revolutionary advances in quality and choice.

Health care costs are increasing by double digits every year, driving employers to cut back on benefits and making it harder for employees to afford premiums. While these rising costs are crippling businesses and workers, the Bush administration has done nothing to make health care more affordable. The president has proposed a flawed tax credit for health insurance. But, despite opportunities in many tax bills, he has made virtually no effort to fight for it in Congress.

But Americans don't want a big government takeover of the health care system either. We shouldn't spend money we don't have on one-size-fits-all plans that won't work. Instead, we should work toward one goal—better health for all Americans—through a variety of means: investing in scientific research to produce cures, improving private health care markets and public programs, and increasing everyone's capacity to take responsibility for their health and health care. Our priorities should be to:

- ***Create a National Cure Center:*** We need a new institute dedicated to finding the next generation of treatments, medicines, and vaccines—complementing the work of NIH by leading a **major public-private push to find cures** for major chronic diseases such as Alzheimer's, Parkinson's, arthritis, diabetes, sickle cell anemia, AIDS, and cystic fibrosis.
- ***Make health care affordable:*** Too many Americans can't find health plans that have affordable premiums or that allow them to see the doctors they need. We should allow Americans to **buy into the same plan that members of Congress get** today and give Americans more choices for quality affordable health care.
- ***Use tax credits to expand coverage:*** The best way to help the millions of working Americans who don't get adequate health insurance from their employers is to offer them tax credits to buy coverage. Small businesses and self-employed Americans often have to pay higher premiums or can't find a plan that meets their needs. We should give them **tax credits** to make coverage more affordable.
- ***Inspire responsibility:*** We should encourage responsibility by offering a **new bargain** on health care: We'll ensure all Americans access to affordable health insurance, and require in return that parents take responsibility for covering their families.
- ***Modernize the health care system for the 21st century:*** As the baby boomers retire, we must not only reform Medicare and expand access to prescription drugs, we need to modernize health care to **manage chronic diseases**, like diabetes and arthritis. We also must reorient health care to emphasize disease management and prevention and make better use of 21st-century technology to reduce waste and abuse and improve health care.

## 6. *Strengthening America's Families*

Every day across America, millions of parents do everything in their power to care for their children and prepare them for a bright future. But they are often raising their kids while juggling full-time jobs with long hours. Parents have 22 fewer hours to spend with their children each week than they did 35 years ago.

This administration has made it even harder to be a good employee and a good parent. Governments don't raise children, parents do—but parents can use a hand, not another set of burdens. We propose a series of initiatives that will help make America's families stronger:

- ***Expand support for after-school programs, not cuts in them:*** The Bush administration wants to cut after-school services, which used to command enthusiastic bipartisan support. We should give states and cities the help they need to **provide after-school services for every child who needs them** to have more time to learn and a safe place to stay off the streets and out of trouble.
- ***Give parents more time with children:*** New parents deserve the chance to spend time with their newborn children. The administration has made it harder for states to provide paid parental leave, when we should be making it easier. We should **help more parents take family leave** by offering tax credits and a system of paid leave through the unemployment insurance system.
- ***Honor the sacrifices parents, especially mothers, make:*** We should **eliminate the motherhood penalty** in Social Security, and allow parents who take time off work during the first three years of their child's life to

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later make up the tax-free retirement contributions they missed.

- ***Honor our commitment to seniors by ensuring the future solvency of Social Security and Medicare:*** We should reverse the Bush administration's fiscal recklessness, which has dramatically undercut the nation's ability to prepare for the coming retirement of the baby boom generation. We should make the necessary **reforms** to keep costs from exploding, modernize benefits, and give beneficiaries more choice and control over their retirement and health security. We also should create **retirement savings accounts** to enable low-income Americans to save for their retirement.

## 7. Creating World-Class Public Schools

Now more than ever, quality public education is the key to equal opportunity and upward mobility in the world. Yet our most disadvantaged children often attend the worst schools. While lifting the performance of all schools, we must place special emphasis on strengthening those institutions serving, and too often failing, low-income students.

To close this achievement and opportunity gap, we should demand accountability and ensure that every school has the resources needed to achieve higher standards, including safe and modern physical facilities, well-paid teachers and staff, and opportunities for remedial help after school and during summers. Accountability comes from parents, too. Parents must accept greater responsibility for supporting their children's education. We need greater choice, customization, competition, and accountability within the public school system, not a diversion of public funds to private schools that are unaccountable to taxpayers.

This administration promised to invest in reform, but it has broken that promise. Instead of closing the achievement gap, the White House seems more intent on closing the gap between the two parties' poll ratings. We propose real reforms that will make a real difference:

- ***Reform with results:*** Under-performing public schools need more resources and real accountability for results. Accountability means measuring student learning with standards-based assessments, ensuring that teachers have subject-matter competency, and holding schools accountable for results. Washington should keep its promise to **provide the resources to make reform work.**
- ***Put a qualified teacher in every classroom:*** We need a new bargain to **pay teachers better, and ask more of them** in return. It's time for an intensive, national effort to encourage more bright young people to become teachers, persuade good teachers to remain in teaching, and to hold all educators accountable for student learning. We need to improve the way we pay teachers, and **pay teachers more for agreeing to teach in communities and subjects where we need them most.**
- ***Ensure universal public school choice:*** We should **let every parent choose which public school their children attend**; provide transportation within the district; **encourage the creation of more charter schools,** making sure they meet the same standards as other schools, and shutting down the ones that don't; and work at all levels of government to make education funding more portable so that a student brings money to the school he chooses and takes money from the school he leaves. If a district, a group of districts, or a state seeks to provide real **universal public school choice** for its students, Washington should help pay for it.
- ***Modernize and shrink high schools:*** The basic model for America's high schools is more than a century old. We need to replace factory-style schools with smaller, more flexible and versatile schools better suited to equip our children for the knowledge economy. Over the last 50 years, the average enrollment in high schools has increased five times over—while our high school students now lag behind much of the world in academic performance. Students do better and stay in school longer in smaller schools. We should strengthen our high schools by **making them smaller and more academically rigorous.**
- ***Make it easier to go to college, not harder:*** This administration has presided over the steepest rise in public college tuition in nearly two decades, at a time when a college education is more important than ever. We need to make it easier for families to afford college. We should **simplify the bewildering array of education tax credits, and replace them with a single education credit** and with a single set of definitions that every family can use and understand. We also should dramatically expand opportunities for young people to earn their way through college through **work-study and national service** so that students willing to work or serve can graduate debt free.

## 8. Helping Every Working Family Lift Itself from Poverty

Instead of honoring work, the Bush administration has made it harder to find. Instead of rewarding work, this administration has punished many who work the hardest. One million Americans fell into poverty in the first year of the Bush presidency, yet the most recent Bush tax cut deliberately denied eight million low-income taxpayers any relief whatsoever.

In the 1990s, the Clinton presidency helped lift eight million Americans out of poverty, and millions of families

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**SPIRIT OF SERVICE:** All of us have something to give and each of us has a responsibility to serve. We should expand AmeriCorps, the Peace Corps, and the new Citizen Soldier short-term military enlistment program.

finally experienced the dignity of work and self-sufficiency. Today, we have an obligation to help more poor Americans resume that march to independence. The success of welfare reform will not be complete until we embrace an even more ambitious social goal—helping every working family lift itself from poverty.

Our new social compact must reinforce work, responsibility, and family. By expanding the Earned Income Tax Credit, increasing the supply of affordable child care, reforming tax policies that hurt working families, making sure absent parents live up to their financial obligations, promoting access to home ownership and other wealth-building assets, and refocusing other social policies on the new goal of rewarding work, we can create a new progressive bargain: No American family with a full-time worker will live in poverty.

We propose to:

- ***Finish the job of welfare reform:*** To make sure everyone who can work goes to work, we need to **raise work requirements on the states**, and give states the resources to succeed by **expanding child care support** for working mothers. We should invest in **transitional work projects** that give hard-to-employ welfare recipients wage-paying community service jobs to prepare them for the rigors of the private workforce. To help the working poor build assets and self-sufficiency, we should expand **Individual Development Accounts** that match their savings toward a home, college, job training, or a small business. We should **modernize food stamps** to give working families greater flexibility, and give states incentives not only to reduce caseloads but to **help families move up the income ladder.**
- ***Require absent fathers to go to work and pay child support:*** Poor mothers shouldn't have to carry the whole load of welfare reform. Anyone who fathers a child has a responsibility to help support that child. We should give poor fathers the skills they need to get a job. But **if they owe child support, we should require fathers to go to work and pay it.**
- ***Launch a national media campaign against teen pregnancy:*** We must redouble efforts to reduce out-of-wedlock pregnancies and eliminate tax policies that penalize marriage. A **national media campaign** will send a simple message to our young people: Kids should not have kids. Since teen mothers make poor marriage prospects, we believe the best way to strengthen marriage will be to reduce teen pregnancies.

## *9. Putting America at the Cutting Edge of Environmental and Energy Innovation*

America's first generation of environmental policies made impressive progress toward abating pollution of the air, water, and land. But by posing a false choice between economic growth and sound energy and environmental policies, the Bush administration has launched a new round in the green wars and stymied a second generation of progress.

It is time for a new approach that unites sound energy and environmental policy with our vision for national security and economic growth.

We propose to:

- ***Reward innovation, information, and stewardship:*** It is time for **a second-generation environmental strategy** that strives for better environmental results. We need to encourage innovation by setting environmental goals and giving key players the leeway to develop alternative means of achieving them. We need to provide information to empower not just bureaucrats, but local communities and citizens, with reliable environmental data. We need to promote stewardship by encouraging communities to take responsibility for

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their environmental quality of life, and giving them the leeway to devise solutions suitable to their particular circumstances. We seek a new brand of **civic environmentalism** focused on locally designed strategies to achieve high environmental standards actively encouraged at every level of government, in a partnership for progress, not a rollback.

- ***Promote clean growth:*** We propose a **clean growth** energy policy that seeks abundant and affordable energy consistent with economic prosperity and across-the-board improvements in environmental quality. We reject the "Drain America First" strategy of focusing the debate on opening Alaska's Arctic Refuge to drilling.
- ***Make use of market forces:*** We propose regulating greenhouse gas emissions with a **flexible and market-oriented system** that will create incentives for faster progress against emissions than can be required by law. It's the same system that succeeded brilliantly in our campaign against acid rain.
- ***Make cars more efficient:*** We need to improve fuel economy in the cars consumers want. At the same time, we want to help our auto industry lead the world in the production of a **new generation of clean, high-performance cars.**

## *10. Asking Every American to Give Something Back*

America must never forget the spirit of 9/11. Heroes gave their lives trying to save lives; volunteers lined up to give blood, money, or time. Once again, we showed the world that at the heart of the American idea is a deep belief in the dignity and duty of every citizen.

All of us have something to give and each of us has a responsibility to serve. To protect our nation and meet our potential, we will have to harness the faith, the energy, and the commitment of people of all ages in communities across the country.

Instead of challenging America, the Bush administration has embraced an ethic of every man for himself. Americans want to serve a cause greater than themselves. Yet the president's main challenge to the citizenry has been: They also serve who fly and shop.

It is time to renew the spirit of service and citizenship with a higher politics of national purpose. We should:

- ***Transform the Selective Service System into a new, more comprehensive, recruitment-oriented National Service System:*** By using the draft registration process to challenge young people to actually serve, connecting this call to service with both military and civilian programs targeted at our new security needs, and including both men and women in this new program, we will help bring **a whole new "Greatest Generation"** into service tackling causes greater than self, and give millions of young Americans the chance to earn GI Bill-type benefits for college.
- ***Expand AmeriCorps, the Peace Corps, and the new short-term Citizen Soldier enlistment program:*** The president promised to expand AmeriCorps, then cut it instead. We should **increase its ranks tenfold** over the next 10 years and connect this expansion to the new mission of homeland security. We should also expand the Citizen Soldier enlistment program to bring a greater cross-section of Americans into our Armed Forces and **ease the growing strains on our Reserves.** In addition, we should scale up the Peace Corps so that it is once again a vital component of U.S. efforts to **promote political and economic freedom abroad.**
- ***Enlist Americans in the effort to prepare our country for the threats we face:*** Firefighters, police officers, and emergency response teams are the new GIs in our domestic war on terror—and we'll need a lot more of them. We should **pass a new GI Bill** that offers college aid to anyone who signs up to defend America at home. One of the most important defenses against civil attack is to **make sure citizens are ready.** Washington needs to understand that changing the alert color won't do Americans any good without a **civil defense corps** to give them solid, reliable information about biological, chemical, or other terrorist threats.
- ***Ask older Americans to join the call for service:*** We should make the most of the aging of America by **giving seniors the chance to serve** as positive role models for our children and use their credibility and compassion to help their infirm or disabled peers in ways that no one else can.
- ***Make service a condition of high school graduation:*** Young people need to understand citizenship and the rights and responsibilities they have as Americans. Some states already **require service before graduation** and Washington should help all states that want to do so.

This agenda, rooted in values that most Americans share, and faithful to the progressive traditions of our party, offers the country a dramatically different vision of our future, and a bold, responsible path for realizing it. On a platform of security, opportunity, responsibility, and reform, Democrats can confidently go to the country in 2004 and make the case for replacing a Republican administration that has failed to keep its promises and failed to provide the leadership we need at a key moment in American history. ◆

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# Nothing But 'Net

Howard Dean's protest campaign has found a niche online. Could it be the next dot-com bust?

| *by* **Randolph Court**

When the books closed on the Democratic presidential aspirants' second-quarter fundraising drives, it was clear that Howard Dean's anti-war, anti-Bush rhetoric, combined with his use of the Internet, had successfully whipped up a sizable bloc of liberal, protest-oriented supporters in the early stages of the campaign. He had raised more than $10 million since the start of the year, much of it in small donations through the Web; well over 50,000 supporters were gathering to support him through *Meetup.com*; and he had won a 44-percent plurality in the straw poll staged by the online liberal activist group *MoveOn.org*. There was a fevered buzz: Dean, everyone surmised, had ascended into the "first tier" of presidential candidates.

**CYBER TROOPS:** The Dean campaign hopes grassroots meetings, like this one in Austin, Texas, will turn mouse clicks into shoe leather and votes.

But the buzz largely missed what should be an alarming revelation for Democrats: The Internet may be giving angry, protest-oriented activists the rope they need to hang the party. The vaunted new medium for grassroots political organizing may in fact be contributing to the Iowafication of the nominating process, disproportionately magnifying the voices of the activist groups with the loudest, most combative, and populist voices.

The effect has been like two currents flowing together: Caucuses like Iowa's are briar patches where born and bred activists flourish. They are run according to complex procedures, and they exclude independents. The arrival of the Internet has provided a powerful set of tools for activists to get organized well in advance of the already front-loaded nominating season—a period when, almost by definition, activists are the only ones focused on politics. Using the Internet, Dean has achieved a virtual mind meld with those activists by capitalizing on their visceral hatred of President Bush and disdain for moderate Democrats. When all is said and done, the new dynamic could lead Democrats right into the hands of President Bush, who wants nothing more than a liberal Democratic opponent.

That Howard Dean has been the one to prove to the political world how the new dynamic works is a bit of a surprise. As governor of Vermont, he styled himself as a centrist. But on the presidential campaign trail, Dean tacked early and dramatically to the left, not just opposing the war in Iraq, but actually demonizing centrist Democrats who supported it. His borrowed refrain was, "I'm here to represent the *Democratic* wing of the Democratic Party." And it was that message that seemed to pay him the greatest dividends on the Internet. It resonated powerfully with the influential, protest-oriented *MoveOn.org*

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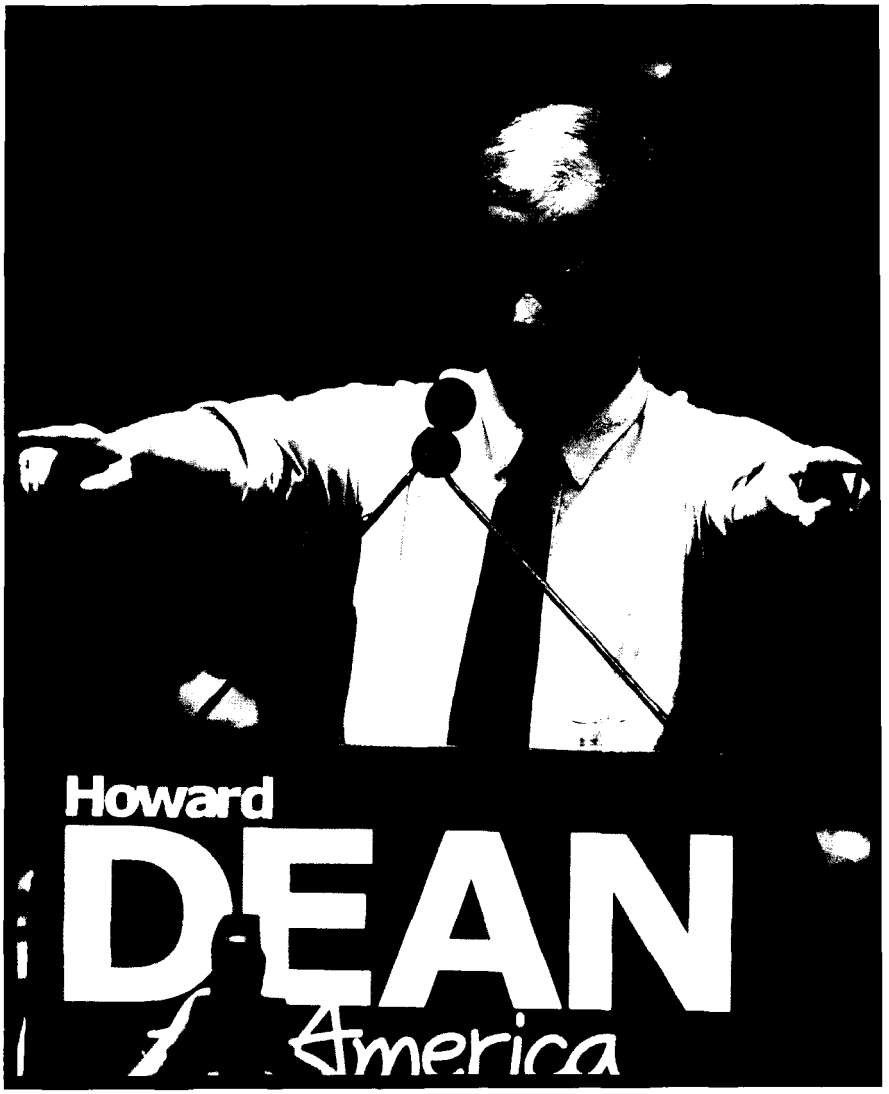
crowd, whose willingness to pony up cash for its causes was a decisive factor in Dean's second-quarter fundraising efforts.

It's worth a look at how Dean used the Internet to build his early momentum. It is a story with useful lessons for future campaigns and at least one cautionary tale for Democrats and Republicans alike. The lessons have to do with specific techniques—some technical, some tactical—that the Dean campaign has proven can be successful in drumming up support online. The cautionary tale is about red-faced anger and indignation of the irrational sort that most appeals to activists and "base" voters on either end of the political spectrum. That brand of outrage has proven to be potent fuel for fanning a populist fire online. The medium and the message help the outraged find each other.

There is no question that Dean has broken new ground to get to the point where he now sits. The Internet is not a sideline or an add-on to his strategy; it has been central. His campaign has not one website, but many, including an array of volunteer-run sites, such as *deandefense.org*, the staging area for the "Dean Defense Forces," a rapid response network that aims to saturate the Internet and the news media with pro-Dean opinion pieces at even the slightest provocation from some opponent or detractor. For instance, the defense forces fired angry emails at the Democratic Leadership Council's website after a political memo last May warning of the dangers of kowtowing to interest groups on the left.

Meanwhile, in addition to its standard-fare official website, *deanforamerica.com*, the Dean campaign also maintains a weblog called *blogforamerica.com* that plays a curious role in keeping activist supporters emotionally invested and engaged in the campaign. To read the blog is to enter a sort of free-ranging, interactive version of "The War Room," the cult documentary film about the 1992 Clinton campaign, which focused largely on the campaign workers, and not on Clinton. On *blogforamerica.com*, Joe Trippi, Dean's campaign manager, is a revered hero, as James Carville was in the Clinton campaign




**FIGHTIN' WORDS:** In the early stages of the campaign, Dean has in effect said to his audience, "My blood is boiling. If yours is, too, then I'm your guy."

film. A team of webmasters buzzes around the website, carrying out Trippi's instructions, just as traditional campaign aides did around Carville. The webmasters and Trippi post frantic comments—as frequently as dozens of times a day—about each new detail in the campaign: preparations for upcoming events, fundraising drives, letter-writing efforts, speeches, and opposing candidates' spin. The postings are often in the first person, and they frequently drift informally from the business at hand into the campaign workers' personal trials, tribulations, exhaustion, and need to do laundry. It is part sitcom, part soap opera. Enthusiastic campaign supporters participate in the drama, posting their own comments in related discussion areas. The interactivity and the cacophony of voices help create a sense of energy—the feeling of a *movement.*

"People want to know what's going on in the campaign. They want that connection," said Max Fose, Internet manager of the McCain 2000 campaign. Plus, the Internet is a naturally hungry medium; it wants to be constantly updated with fresh material to keep people coming back. "The blog is an excellent idea," said Fose. "They're feeding the beast."

Feeding the beast with *what,* though? The Dean campaign message that has stirred such a storm of interest online isn't really a message at all; it's a mood. While many other candidates in the race have put forward a menu of proposals large

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and small that they would undertake as president, Dean in the early stages of the campaign has in effect said to his audience, "My blood is boiling. If yours is, too, then I'm your guy."

That mood message has succeeded at revving up people animated by their hatred for Bush, their lingering resentment over the Florida election fiasco in 2000, and their more recent opposition to the war in Iraq. Trolling the discussion boards in some of the unofficial Dean fan sites, one finds scores of people who say they are backing Dean because, as one poster says, "Bush is evil."

Dean channeled that anger into his appeal to the 1.4 million protest-oriented members of *MoveOn.org*. "If you are as tired and angry as I am about the manipulation and lies, then please join my campaign," he said in his plea for the group's endorsement in its June 24-25 online primary vote.

*MoveOn.org* was quick to point out that the total of 317,000 votes cast in its mock primary surpassed the total number of votes cast in the 2000 New Hampshire Democratic primary, Iowa caucus, and South Carolina caucus combined. But who were the *MoveOn.org* voters? It's a big mystery. The group asked pollster Stan Greenberg to conduct a telephone survey of its online primary voters to verify the results of the vote. (Everything checked out as legitimate.) As part of the verification process, Greenberg also asked demographic questions and found, not surprisingly, that *MoveOn.org* members are younger than the actual electorate, and better educated. But that still leaves the most vexing question about the impact of Dean's online juggernaut: How does online politics relate to offline politics? How many of the people who "click here" will also get out and walk precincts, or even vote? What issues and messages most resonate in cyberspace, and how will that affect the larger political debate and the elections?

The truth is that Dean's excellent Internet adventure may fall short because, at the end of the day, his supporters are still a small band in a big parade. In fact, they're probably not even representative of the online population's opinion. A January 2003 Pew Research Center poll found that 67 percent of Americans go online to browse the Web or use email, and of those people a significant plurality—41 percent—said they consider themselves to be political moderates. The next biggest group—35 percent—identified themselves as conservatives. And just 19 percent said they were liberal. That picture was corroborated by party affiliation. Thirty-two percent of those who go online said they are Republicans. Twenty-nine percent said they are Democrats. And a plurality—38 percent—said they are not affiliated with either major party. These are the same trends that have long been apparent in offline polls by Gallup and others.

"The Internet is a bell curve," said Jonah Seiger, an Internet strategist and visiting fellow with the George Washington University Graduate School of Political Management. In other words, if you plotted everyone's political views on a left-to-right scale, you would find a big bulge in the middle. "The edges are active, but smaller," said Seiger, "and the vast middle is open to arguments." So the electoral math that has plagued Democrats since well before the rise of the Internet is still true in cyberspace: The party cannot put together a winning coalition without appealing to moderates.

*MoveOn.org* co-founder Wes Boyd doesn't buy the big bulge theory of the Internet. In his experience, he hasn't found what statisticians would say is a standard distribution across the political spectrum. "I believe we are working with a bi-modal distribution," Boyd said. "There is no center."

Boyd sees a big group of populists united in their outside-the-Beltway, "anti-elitist," and anti-corporate points of view. They are animated in their opposition to the war in Iraq and their concern for civil liberties, he said.

It is quite likely, of course, that the reason Boyd hasn't seen any evidence of political activity in the middle of the political spectrum is because moderates don't frequent *MoveOn.org*. Instead, they likely spend their online time elsewhere, doing mundane civically oriented things, such as reading mainstream news sites. In May 2003, for example, *MoveOn.org*'s website had about 436,000 unique visitors, according to the audience measurement consultants comScore Media Metrix. In the same period, *CNN.com* had 22.7 million unique visitors; AOL's news sites had 24.2 million; and *MSNBC.com* had 21.8 million.

But there is also another, simpler explanation for why fringe groups would be using the Internet better than mainstream campaigns: "Because they have to," said Fose, McCain's Internet manager.

Certainly, the fringes of the political spectrum are active online on heavily trafficked discussion boards such as the left-wing *democraticunderground.com* and the right-wing *freerepublic.com*. Dean's fiery message resonates in the left-wing haunts. He is the favorite son on *democraticunderground.com*, according to the site's proprietor, David Allen, and the people posting on that site are an animated bunch. Much of what they post—about Bush, and about moderate Democrats—would not be appropriate to repeat here.

But the question remains: It's easy to activate the activists, but what about everyone else?

That will be the real test. Recent political history strongly suggests a liberal protest coalition simply doesn't add up to enough votes for a Democrat to win a national election.

Perhaps the closest parallel to the Dean strategy is the dot-com companies of the late 1990s: Accumulate eyeballs now and fill in the blanks on their business plans later. If, in the end, the early hype and glory of Dean's Internet campaign goes the way of the dot-com bust, then historians may rightly conclude it was for similar reasons. ◆

Dean's **excellent Internet adventure** may fall short because, at the end of the day, his **supporters** are still a **small band** in a **big parade**.

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# Bush's Double Whammy on Jobs

First Bush killed jobs with bad economic management. Now he's making matters worse by slashing assistance for unemployed and dislocated workers.

| *by* **Robert D. Atkinson**

American workers today face an economic double whammy: rampant unemployment exacerbated by simultaneous cuts in assistance to unemployed workers. The culprit in the first is a combination of economic forces and Bush administration policies. The culprit in the second is the Bush team alone.

Consider the facts: Between 1992 and 2000, with the Clinton administration in charge, the nation's economy generated more than 20 million new private sector jobs. Since George W. Bush took office in 2001, the nation has *lost* 3.1 million private sector jobs. At this rate, Bush will become the first president since Herbert Hoover to produce a net job loss during his first term of office, and the first since Eisenhower to produce a net job loss over any term of office.

On top of that, Bush will have to take the rap for turning a bad economic picture into a living nightmare for millions of workers by undercutting the very program designed to help them get through tough times and adjust to new economic realities: unemployment insurance (UI) and dislocated worker assistance. In its single-minded crusade to shrink the federal government back to 19th century levels, the Bush administration has even proposed the elimination of the government's quarterly mass layoff statistics, quashing the very data that puts the lie to its own policies.

Unemployment and underemployment add up to a national crisis. In addition to 3.1 million lost jobs, 1.4 million Americans are working part time even though they want full-time work. The unemployment rate shooting up from 4.1 to 6.4 percent makes more than 9.4 million Americans officially jobless. More than one-fifth of them have been without work for longer than six months, the largest proportion in a decade. Yet rather than strengthening UI and dislocated worker job search assistance and retraining support, the Bush administration casts these workers adrift without a life preserver. This approach should be replaced by a policy of equipping workers with the tools they need to cope.

**Holes in the Safety Net.** If suppressing embarrassing economic data were all the harm the administration was up to, it would be bad enough. But the Bush team goes farther: It has no qualms about driving the already meager levels of UI benefits even lower, leaving many unemployed workers barely able to scrape by. Consider its sins:

1) The Bush administration has consistently opposed temporarily extending UI benefits for workers who have exhausted their benefits. After the Sept. 11 attacks, the administration was willing to go along with a bailout of the airlines, but opposed providing extended benefits to the nearly 200,000 airline workers who lost their jobs in the aftermath. Bush initially opposed efforts passed by Congress in May 2003 to extend UI benefits to millions of workers who had used up their benefits, despite the fact that the unemployment rate was rising. Moreover, during the early 1990s' recession, most workers who exhausted their benefits received 26 weeks of extended benefits. In contrast, in the current slowdown, the administration and the Republican Congress have grudgingly granted only 13 weeks.

2) Not content with just making sure workers don't get extended benefits, the Bush administration is also working to make sure that they get fewer benefits by reducing the tax that employers pay into the unemployment insurance trust fund. Laughably called the "New Balance," the administration's proposal would have cut the federal payroll tax paid by employers on the first $7,000 of wages by three-quarters, from 0.8 percent to 0.2 percent. In addition, most of the federal rules governing the program would be repealed. Thanks to the long-established "race-to-the-bottom" dynamics of setting UI taxes and benefits in the states, the New Balance would almost certainly lead to most states imitating the low-tax, low-benefit states, resulting in not only lower benefits but also in millions fewer workers eligible to collect UI. Luckily, Congress did not take up the proposal in 2002, but a version of the proposal has resurfaced in the president's 2004 budget.

3) The administration has also proposed

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creating Personal Reemployment Accounts (PRA) of up to $3,000 for specially designated laid-off workers who are more likely to remain unemployed for 26 weeks. Workers who go back to work sooner would receive a bonus. Like many Bush proposals, what initially sounds like a good idea ends up containing major problems. First, a reemployment bonus cannot motivate workers to find jobs that do not exist. According to the Labor Department's Job Opening and Labor Turnover Survey (JOLTS), there are now more than three unemployed workers for every available job opening. The high rate of unemployment is not caused by a lack of incentives for workers to find jobs. Bush pushes PRA's by arguing that "the system needs to be simplified and focused on the consumer." We couldn't agree more, but this means making a firm commitment to providing help to workers. In contrast, while PRAs give workers more choice, they also appear to be a stalking horse for devolution. The ultimate withdrawal of the federal government from this area will force the states ultimately to pick up the tab, resulting in dramatically smaller benefits.

**"Here's Your Last Paycheck: Good Luck."** For the Bush administration, it's not enough to cut unemployment insurance. It is also cutting programs for job search assistance and employment retraining. Federal funding per dislocated worker has fallen from about $300 in the last year of the Clinton administration to just $161 now, putting the United States near the bottom of all advanced nations in support to dislocated workers. It's not just funding for dislocated workers that is being cut, but employment and training in general. For example, the Bush administration has proposed cutting the funds for training workers in IT and technical occupations funded by the fees employers pay on H1-b visa applications for high-skilled workers. If the initiative succeeds, $130 million will be cut from assistance to help workers gain these high-tech skills. Rather than reform programs, the Bush administration has since 2002 cut funding for training and employment programs by more than $680 million.

**Job Creation Under Both Bushes and Clinton**

| Administration | Private Jobs |
|---|---|
| Bush I (1989-1993) | +1,466,000 |
| Bush II (2001-2003) | -3,053,000 |
| Bush I & Bush II Combined | -1,587,000 |
| Clinton First Term (1993-1997) | +10,815,000 |

This double-whammy of more layoffs and less support has meant that four months before the end of the 2003 fiscal year, many states are running out of funds to help laid-off workers. This was brought all too close to home for the 100 workers in Newton, Iowa, who were laid off when Maytag transferred a production line to Mexico. Normally, these workers would be eligible for benefits under the Trade Adjustment Assistance Act. But because there have been so many layoffs, the state informed the workers that they would have to wait until at least October to get support for retraining. Iowa is not alone. A number of other states, including Michigan and Illinois, are in a similar fix. When such funding shortfalls happened in the Clinton administration, the Department of Labor provided emergency grants to states. So far, the Bush administration has given them only piecemeal help.

If the administration and the Republican Congress get their way, this devolution of responsibilities from the federal government to the states will be a prelude of what's to come. Republicans in the House have proposed major changes in the Workforce Investment Act (the legislation governing federal activities), including consolidating the various federal titles into one block grant and eliminating the U.S. Employment Service. If this passes, not only will there be less targeting of funds to the workers or states that need them most, but the legislation will be a first step in devolving both authority and funding responsibility to the states.

extras New Democrats Online NDOL.org Search: Extra Workforce

**Every-Man-For-Himself.** Why is the Bush administration throwing a double whammy at workers at a time when high unemployment should be bad enough? The answer is ideological. The policies are a direct result of the administration's every-man-for-himself philosophy. Former Bush administration economic advisor Glen Hubbard summed that up when he stated that, "because adjustment *is* a market phenomena, a reliance on individuals is the best adjustment policy." In part, that's because, as in so many other policy areas, the Bushies believe that in this area, government makes things worse. After all, they believe that extending UI benefits when unemployment is high "creates more unemployment." Bush's message is: "Don't expect any help. After my tax cuts, you won't need these government programs because you'll get to keep more of your money."

At the end of the day, the choice couldn't be starker. The Bush administration believes that dislocated workers should be on their own. Democrats, by contrast, believe that because adjustment is a market phenomenon, a reliance on individuals *empowered with effective tools* is the best adjustment policy. Instead of cutting support for dislocated workers, we should equip them with new tools for success. We should expand and reform unemployment insurance, including establishing a floor that state UI programs could not go below and ensuring that millions of part-time and low-wage workers are covered. At the same time, we should make it easier for workers to enter training while collecting UI. We should restore funds for assisting dislocated workers. We should build upon steps taken by Congress in 2002 and expand the 65 percent refundable tax credit for health insurance to cover all dislocated workers.

These are steps that a New Democrat administration would take to make sure that American workers get the help they need to manage economic transitions. ◆

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# Beating the Odds

Gov. Ed Rendell's New Democrat message made history in Pennsylvania, and offers lessons for Democrats everywhere.

| *by* **Ed Kilgore**

When former Philadelphia Mayor Ed Rendell announced his candidacy for governor of Pennsylvania in January 2001, he was defying history in a number of ways.

No one from Philadelphia had been elected governor since 1914. Indeed, no Philadelphian had even won a gubernatorial primary in either party since 1962.

More recently, no Pennsylvania Democrat had won a gubernatorial or Senate race since 1991. Republicans had controlled both chambers of the legislature since 1994. And with the exception of a special election win by Harris Wofford in 1991, no Democrat who was not named Bob Casey had won a gubernatorial or Senate race since 1974.

And Rendell's primary opponent was named Bob Casey—Bob Casey, Jr., the state's auditor general and son of the late governor.

Thus, despite a successful two terms as a reforming mayor widely credited with saving his city from economic decline and fiscal ruin, Rendell began his gubernatorial race as a distinct underdog. As the *Philadelphia Inquirer* summarized it on primary election night: "The campaign began more than a year ago as Casey's race to lose. He had The Name. He lined up support from the state's labor leaders and much of the creaky machinery of the Democratic Party. He raised as much money as Rendell did early on, and, as the highest-ranking elected Democrat in the state, took on the air of inevitability. Then the campaign happened."

Early polls consistently gave Casey a double-digit lead. But as the *Inquirer* suggested, the actual campaign was another thing altogether.

Rendell did two things that turned around the primary contest and laid the foundation for a general election victory as well.

First, he developed a classic New Democrat message focused on reviving the state's economy, dealing with a burgeoning budget crisis through tough management without sacrificing key priorities like education, and equalizing education funding by reducing dependence on regressive local property taxes.

Second, his campaign worked hard to build overwhelming support among Democrats, Republicans, and independents in southeast Pennsylvania who best knew and appreciated his record as mayor.

As Casey's lead began to slip, the auditor general went negative, attacking Rendell for insufficient loyalty to Democratic traditions—much in the way some liberal Democrats attacked President Clinton during the 1990s—with special emphasis on Casey's opposition to welfare reform. And without question, Casey relied on a political strategy that assumed southeast Pennsylvania would produce a lower turnout than "Casey country" in central and southwest Pennsylvania.

In the end, Rendell won a landslide primary victory, beating Casey by a 56-44 margin. Turnout in southeast Pennsylvania led the state, with an estimated 16,000 voters in the Philadelphia metropolitan region changing their registration from Republican to Democrat, mostly in order to vote for Rendell. In an impressive tribute to his mayoral record and his pro-growth, pro-choice, pro-education, and pro-fiscal responsibility message, Rendell took nearly 80 percent of the vote in southeast Pennsylvania. Showing an ability to put together an urban-suburban coalition even outside his base, Rendell held Casey to a narrow win in Pittsburgh's Allegheny County, where the auditor general needed a lopsided margin.

"I think Ed Rendell ran one of the most brilliant campaigns I've ever seen in Pennsylvania," said State Rep. Stephen H. Stetler on primary night. And *Philadelphia Daily News* columnist Jill Porter commented: "Our charismatic former mayor buried Bob Casey and many a myth about Pennsylvania politics."

The Rendell primary strategy pointed to a similar general election strategy: Build up a big margin in southeast Pennsylvania, run on a positive message of change, and hold down Republican efforts to win over Democrats in other parts of the state through culturally conservative "wedge issues" like guns and abortion.

In November, Rendell replicated his primary win, beating Republican Attorney General Mike Fisher by a comfortable 53-44 margin in a year when GOP voters appeared to be especially energized in

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Pennsylvania and around the country.

As the *Pittsburgh Post-Gazette* summarized Rendell's appeal: "Pre-election polls showed that Rendell was not only the overwhelming choice of members of his own party, but that many Republicans, particularly those who had followed his career in Southeastern Pennsylvania, also were voting for him.

"Rendell's rising strength in Allegheny County [Pittsburgh] prompted the Fisher campaign to air one of the most memorable commercials of the campaign. In an attempt to appeal to his Western Pennsylvania neighbors, Fisher appeared before the camera, proclaiming his allegiance to hometown institutions including Primanti Brothers sandwiches."

In effect, Rendell replicated the success of Democratic presidential candidates Bill Clinton and Al Gore in Pennsylvania and elsewhere. Like Rendell, Clinton began building breakthrough margins in Pennsylvania suburbs, especially around Philadelphia, in 1992, and expanded that beachhead in 1996. Even more strikingly, Al Gore won Pennsylvania, which was considered one of the two or three major battleground states in 2000, by a surprisingly comfortable margin. He did it not by winning the socially conservative coal- and steel-belt voters that were the target of his "people versus the powerful" populist message, but by winning very big among independents and moderate Republicans in the suburbs.

As general chairman of the Democratic National Committee during the 2000 elections, Rendell had a front-row seat to Al Gore's successes and failures in that ultimate agony-and-ecstasy presidential campaign. And there's no question he paid attention to how, exactly, Al Gore won Pennsylvania.

Rendell's 2002 win, along with that of another New Democrat, Michigan's Jennifer Granholm, offers important lessons for Democrats in the Northeast-Midwest Industrial Belt, where down-ballot candidates have recently had so much trouble keeping up with the national ticket. The most important are these:

First, stringing together Democratic constituency group endorsements no longer guarantees Democratic primary wins. In fact, running without them seems to better position Democrats for general elections.

Second, it's easier to build a majority with a pro-growth, pro-reform, pro-education message that unites urban and suburban voters, than to try to win socially conservative voters, either by moving to the right on cultural issues or by trumping those issues with economic "populism."

Moreover, as both Rendell and Granholm are demonstrating in office, the New Democrat message is a good way to prepare for governing in tough times.

Rendell promised to find money for education by cutting waste. He's not inhibited by deep links to constituency groups that oppose changes in state programs or increases in programs' efficiency. Indeed, he recently struck a historic agreement with state employee unions that significantly restrained wage growth and cut the rising costs in employee benefits. And in his Management Productivity Improvement Initiative, he's promising to significantly reinvent and modernize state government operations, saving as much as a billion dollars that can be reinvested in other progressive initiatives.

**REFORM MAYOR, REFORM GOVERNOR:** Ed Rendell is not chained to constituency groups, so he can be bold in turning around Pennsylvania's budget and economy.

Longtime New Democrat and former Bethlehem, Penn. Mayor Don Cunningham joined Rendell's cabinet as secretary of the Department of General Services, which deals with state property and contracts. In May of this year, in a DLC forum, Cunningham tartly responded to complaints that no constituency group supported moderate Democratic policies by saying: "Actually, there is a constituency for moderates. There's a constituency for good fiscal management of government. Because the more we reinvent the government, the more we make it financially effective, the more we can put those dollars into things that matter, like education and economic stimulus."

That's how a Rendell Democrat looks at the connection between politics and policy. And it makes sense far beyond Pennsylvania. ◆

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# Getting It Right in the States

Last May, New Democrats from around the country gathered in Washington to share some of the reasons for their success. Here's a partial transcript of their comments.

| *edited by* **José Cerda III**

**North Carolina Treasurer Richard Moore:** In North Carolina, we're one of the few places, particularly in the South, where we Democrats are still in control of everything, and have been. And we've done that with many of the DLC themes—fiscal conservatism, common-sense government. But it's becoming increasingly tough to fight the perception of Washington.

There are some issues out there that I think we can fight back on this next election cycle, and which I hope are shared with the presidential candidates. One is the issue of jobs and the economy. And the way that we get at that is by addressing what's happened with pensions over the last couple of years and by what's happened on Wall Street. A lot of people feel they were screwed over.

You can do it in a way that does not attack business. It's all about fairness, it's all about common sense, and it's one of those instances where the Republican Party has said one thing, but if you look closely, they did something else. And that something else was doing nothing at all until WorldCom finally blew up.

The second is homeland security. Cops, firefighters, and first responders are tremendous leaders across small-town America. They're angry, they really are angry. They feel like they've been given a lot more duties. I was the head of our state police for four years, and the people that I used to work with feel like the Democratic Party and President Clinton were there with innovative programs, with the COPS program, with community-oriented policing.

Now, they're seeing all that money being taken away and used for political purposes again, and not helping people. And really, I don't think you're ever going to get them to stand up and beat their chests and say they're Democrats, but they really are strong, quiet leaders, who are angry.

The third thing is what guest speaker David Brooks talked about today at lunch. To hear someone in this town talk about what's going on at a Pentecostal Church was really quite rewarding. We have got to do something to stop people from feeling like the Democratic Party is anti-religion and anti-faith. And what really brings it home with my peers is being the father of young children. It's all about raising your children.

One of the reasons that people are retreating into these religious communities is that they really do feel like it's a cocoon to keep their children away from the smut that's on TV. And how we, as a party, get tied to that is very frustrating for me, but we do. Somehow, we are the party of Hollywood. And I don't know how we talk about it, but we're tied up with it, and it's killing us.

**Arizona State Senator Gabrielle Giffords:** I'm a state senator from Arizona, and in the last six, seven years, I've been touring military bases around the country, including in Hawaii, Puerto Rico, and Alaska. This may seem unusual for a young female state senator, but I originally became involved in a civilian support group for the 162nd International Guard Unit in Tucson, and then was asked to be its chairman, and later to help start a similar group in Phoenix, too.

Supporting our local military bases is a critically important issue, particularly with the base realignment and closing that's coming up in 2005. And what I find talking with the commanding officers at these bases is so interesting. When they figure out I'm a Democrat, they'll pull me aside and say, "You know, actually, the Democrats are much more supportive of our issues than the Republican leadership."

Woody Allen has this great line about 90 percent of genius being just showing up. I think that's something that Democrats need to do. We need to be consistent; we need to be there all the time. At the Pima County Fair down in Tucson, we had a large banner that said, "Support Our Troops." And while people passed through the fair, we had them sign up to send a message to the troops, and it was something that we presented to Davis-Monthan Air Force Base.

It's also a way for the general public to equate Democrats with supporting our local bases. They need our support right now, particularly with the decrease in funding that's headed our way. And it's not a difficult thing to do.

**Montana State Auditor John Morrison:** I want to talk a little bit about the cultural issues. I think they're very important, not only in my part of the

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country, but in the South and the American heartland.

In Montana, in the year 2000, we lost the governor's race, the Senate race, and the congressional race by four points. We lost the White House in our state by 25 points. I think it's fair to say that without the presidential race, we would have had a Democratic governor, senator, and member of Congress from Montana.

It wasn't just the coattails of people voting Republican, it was people who were going to the polls in Montana and identifying our candidates with Al Gore's positions on social and cultural issues.

Indicative of these results was the fact that, after the election, poll data showed that a majority of people with incomes of less than $30,000 a year voted Republican in a state where Democrats lost by four points. That's cultural issues. You take away the presidential race, and we're allowed to focus more on local issues.

In 2002, we picked up seven seats in the state legislature. We picked up a majority of our public utility commission. Democrats won the governorship in Arizona, New Mexico, and Wyoming. And that's partly an effect of these same cultural issues.

So I identify what I call the eight Fs. You know, I was talking to my wife about these, and my nine-year-old daughter said, "Dad, what are the F-words, again?"

These are the F-words: firearms, faith, forestry, freedom, family, farms, fiscal responsibility, and the flag. Now, let me just talk about three of those.

Firearms: This is obviously a divisive issue throughout the country. And on this issue, what Tip O'Neil said is right: All politics are local. I don't suggest that people in New York make the same arguments about firearms, or take the same positions, that we do in Montana. We need to be conscious of our people and their values. You know, in Montana, gun control consists of not missing the target.

All I ask is that we, as a national party, recognize that our presidential candidate cannot wave red flags in front of the bull on the issue of firearms. We have to respect that the Second Amendment is an important value in the West, in the rural parts of America, and in the American heartland.

Faith: 90-plus percent of the people in this country say they believe in God. Too often, our party's position on faith is dictated by our liberal elite, which believes that—number one, they may be agnostic or atheists themselves, but number two, they believe that any expression of faith is somehow an imposition on anybody who has a particular faith, particularly a faith other than Christianity.

But 30 percent of the people in this country—and I think a higher number in my state—say they're Evangelical Christians. And I think it is ridiculous for the Democratic Party to surrender Christianity to the Republicans.

Forestry is really just symbolic for public land policy. In the American West, we have the highest percentage of federal lands. And those people who are watching the politics of the West most carefully are saying that there's a sagebrush rebellion going on. There are people in the West who used to vote Democrat, their parents voted Democrat, their grandparents voted Democrat, but they are now voting Republican because they resent top-down management of federal lands policy.

It's important that our party respect the sovereignty of those parts of the country that have federal land on them, and allow them to empower themselves to manage the land and its resources in a responsible manner.

These values have been hijacked by the Republican Party. But these values, these eight Fs, are not Republican values. They are the values of the West, they are the values of rural America, and they are the values of the American heartland. And I hope that our national party will not destroy us on these issues.

**Georgia Labor Commissioner Michael L. Thurmond:** Two thousand and two was a difficult year. We lost the governor's race and the U.S. Senate race, but I was reelected. We had a huge white backlash, particularly in southern Georgia, because Governor Roy Barnes changed the Georgia state flag and removed the Confederate battle emblem from it.

I had white Republican and white Democratic opponents. And in my campaign against the Republican, in which the Sons of Confederate Veterans and others went out to defeat Governor Barnes, we generated 53 percent of the vote.

We ran our campaign on a very important issue. By 2001 and 2002, the economy had sputtered out in Georgia. We lost more jobs in 2002 than any other state in the nation. That's why in 2002, we bet the house on the economy and jobs.

This recession is different from any other in modern American history, and let me tell you why. It doesn't respect a person's position. Historically, layoffs impacted about 25 percent of college-educated persons. In Georgia right now, about 43 percent of the people who've been laid off and are receiving unemployment benefits are college-educated. The busiest career centers for unemployed

> By promoting **jobs**, access to **training**, **education**, and free employment resources, we could not only **energize the base**, but also make inroads into the suburban areas.

**DEFYING ODDS:** Georgia's governor and a U.S. Senator lost, but Labor Commissioner Michael L. Thurmond won.

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Georgians are in the suburbs of Atlanta and some of the major cities.

What we bet this campaign on was that by promoting jobs, access to training, education, and free employment resources, we could not only energize the base, but also make inroads into the suburban areas of Atlanta, in particular, and Augusta and Savannah as well.

We have a major opportunity because of this recession. It's basically a white-collar recession. One of the largest demographic groups that's being impacted is college-educated white men.

Also, large numbers of Americans who were making $80,000, $90,000, $100,000 a year, are now earning $20,000, $25,000, and $30,000 a year. The job message shouldn't be focused only on the inner city and rural areas. The job message now resonates with those higher-income, higher-educated people who have been negatively impacted by the recession.

**Virginia's Governor Mark Warner:** Let me give you a little bit of a framework of just how Republican Virginia is. Virginia has not voted for a Democrat for president since 1964. Every aspect of Virginia state government was controlled by the Republicans prior to my election. The majority of our congressional delegation and both federal senators were Republican. My predecessor, Gov. Gilmore, was chair of the Republican National Committee. This was a state where, coming out of the box, Democrats started anywhere from eight to 15 points down.

We tried to put a different kind of campaign together. We tried to make it not a left-right, but more of a future-past campaign, based upon how every part of Virginia could benefit from what I think—at least until President Bush—has been our greatest asset, the growing and knowledge-based economy.

I tried to sell a personal story in the campaign, that I was the first person in my family to graduate from college and live the American dream. I went into a lot of communities in rural Virginia, where a Democrat hadn't done well for ages, with the notion that, if the folks in rural Virginia were going to listen to my economic opportunity message, that message had to be based on the idea that their kids didn't have to leave home to get a good job, they could actually have opportunities in south and southwest Virginia.

But I couldn't be knocked out of the block on the social issues before I could even make the case to them. So, early on in the campaign, we tried to take a number of the social issues off the table. Not that I retreated on issues like choice or guns, but I simply said I didn't think they were the most important issues in the campaign. I angered some folks, particularly in the Democratic Party. I reached out very strongly to gun owners. We had a major "Sportsmen for Warner" campaign all across rural Virginia, where these great blazing orange signs, with a rifle, and a shotgun, and a fishing pole, that said, "Sportsmen for Warner."

But trying to win some of the cultural issues and not be knocked out of the box on them before you could deliver a message about economic opportunity was key. And we ended up winning in rural communities that a Democrat had not won for 10, 20, 30 years.

**Pollster Mark J. Penn:** The one thing I'd inject into the discussion is a bit more urgency. During the last election, we went from being an evenly split country, where we'd been 49-49, to losing five points. Those five points came almost entirely from white men. White men went, in the last election, from negative nine to negative 29.

Another frightening development is that for all the talk about independents, independents have now leveled off. There are now more people who identify themselves as Republicans. And in the nearly 30 years that I've been polling, it's always been 6 percent more Democratic than Republican. That is almost reversed at this point. I would say that from the high watermark of 48 percent Democratic in 1960, we're probably approaching close to 25 percent now.

And so, in my mind, the problem is not Democrats looking like Republicans. Voters are able to distinguish Democrats from Republicans. I think the problem is that Democrats are increasingly looking like old Democrats. And to the extent that they are, people are fleeing the party in almost record numbers. We need Democrats to look more like New Democrats again.

That has been the successful formula in the last number of years. So we ought to be aggressive about pushing back on the notion that the way to win elections is simply to be more different than the Republicans, which is a code for, we need to be more liberal.

That's pretty much the process that we see going on. This process is going to continue until Democrats have answers on two fundamental issues: defense and taxes. If you go back to when President Clinton won, he had answers to crime and welfare. The similar issues today are defense and taxes. We're about negative 60 points on defense.

But I think we could win an election on the economy. We could win an election if candidates went back to the formula of growth. We could win an election if candidates get rid of class warfare. We could win an election if candidates feel good about being New Democrats, and say so, and push off against what you see here with Dean returning to Democrats as being weak on defense, or what you see with some of the other candidates as making big government programs the hallmark of their campaigns. ◆

**A DIFFERENT CAMPAIGN:** Virginia's Mark Warner ran on economic issues and a focus on the future.

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# Radical reinvention

Democrats can seize the initiative on streamlining and modernizing government.

*by* **Robert D. Atkinson**

Bill Clinton's commitment to reinventing government helped define him as a real reformer, not just another Democratic supporter of big government. To win in 2004, Democrats need to reclaim the Clinton reformist legacy by embracing a radical agenda for reinventing government (ReGo). Even though polls show that Americans desire an activist federal government to address problems, they no longer trust big, bureaucratic government. That's why, when faced with a choice between Bush's "less government" and liberal Democrats' "more government," voters too often chose the smaller government alternative. Democrats need to give them a third choice: "better government."

What's wrong with today's government? For starters, it is structured on an administrative model perfected in the heyday of the post-WWII industrial economy. It is a big bureaucratic government that is a poorly honed tool to promote progressive change in the 21st century. Creating effective governance for the New Economy requires a fundamentally new approach to government. We need to dramatically reform federal agencies and programs, shifting the focus away from bureaucracies toward networks of private actors, including civic organizations, citizens themselves, and information technology (IT) systems.

**Reinvent agencies.** The most basic step in transforming government is reducing the stifling straitjacket of rules that government workers face. While the Clinton administration's ReGo effort, led by Vice President Al Gore, made important strides, it's time to tackle the really tough issues holding back reinvention, starting with civil service reform. Unless federal managers have more flexibility in hiring, firing, promotion, and compensation, it will be difficult to boost performance. At a minimum, government personnel systems should be significantly reformed to vest more authority in the hands of managers. Moreover, federal agencies should be allowed to hire new employees initially under shorter-term contracts and not renew them if employee performance is inadequate.

We shouldn't stop there; we should create brand new types of federal entities, unleashed from the managerial systems designed in the middle of the last century. This means transforming a host of federal agencies into performance-based organizations (PBO's) that have not only more flexibility, but are also accountable for results. This is what Prime Minister Tony Blair has done in Britain; he created over 100 "Next Steps" agencies with operating independence and charters spelling out responsibilities. In 1998, 75 percent of all British civil servants were employed in Next Steps agencies, and performance in these agencies has improved, in some cases substantially.

An even more far-reaching reform would be to shift federal responsibilities to independent, nonprofit corporations—what the British call Quangos (quasi-autonomous non-governmental organizations). Unlike PBOs, which remain government agencies, Quangos are independent but are in part publicly funded and governed by a government-appointed board. Ideally, these organizations combine the entrepreneurial spirit and competitive drive of the private sector with the public purpose of the government sector. For example, to give the federal government a catalytic role in boosting the skills of the American workforce, we should create a nonprofit National Skills Corporation governed by a board appointed by Congress and the president.

The second major step is to free up the creativity of non-federal players to help achieve national goals, while holding them accountable for real results. One reason why many Americans dislike bureaucracy is because it is rule-bound and inflexible. In a rapidly changing and more diverse society where the most important knowledge resides "on the ground" and not in Washington, such a regimented, rule-bound system is at a distinct disadvantage. Make no mistake, however: Unlike the Bush administration that uses this kind of rhetoric to justify a general withdrawal of the federal government from domestic policy areas, Washington still needs an active role, albeit a radically different one. It means that Washington needs to focus more on co-investing and collaborating with other organizations—networks of companies, nonprofit community organizations, churches, and other civic organizations. It shouldn't matter who is carrying out the public mission, only whether the mission is getting done. David Osborne, an expert on reinventing government, says, "Washington needs to do more steering and less rowing."

In areas where government enlists the efforts of non-federal actors, we need to redesign programs to provide more

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flexibility and accountability. This was the framework for the Public Education Reinvestment, Reinvention, and Responsibility Act, introduced by Sens. Lieberman (D-Conn.), Bayh (D-Ind.), Landrieu (D-La.), and Carper (D-Del.). This "Three R's" approach, based on policies originally designed by the Progressive Policy Institute, restructured federal education aid to focus on results, while freeing up schools to make their own decisions on how to spend federal dollars. The legislation formed the basis for key reforms adopted in the No Child Left Behind initiative. This model of greater flexibility tied to greater accountability should be employed in a host of areas where it's possible to measure results, including transportation, health care, criminal justice, economic and community development, and social welfare.

We also need to help individual Americans play a more direct role in improving their own communities. One way is to allow individuals who do not itemize their tax returns to take deductions for charitable contributions, as outlined in the CARE Act introduced by Sens. Lieberman and Santorum (R-Penn.). Another way is to expand national service, as Sens. Bayh and McCain (R-Ariz.) would do in their "Call to Service Act of 2003," which expands AmeriCorps from the current 50,000 members to 175,000 members by 2008.

Finally, no discussion of transforming governance would be complete without considering the effect of IT on government. When most people think of technology and government, they think of e-government. Certainly the Internet allows citizens to interact directly with government; it cuts costs while improving quality and expanding access. While the Bush administration is headed in the right direction, the minimal resources it has committed have made the pace of change sluggish. It's time to commit to online provision of all possible government services by 2007.

But the importance of the IT revolution goes far beyond just allowing citizens to access government services online. IT can play a key role in transforming an old, information-poor model of standardized, bureaucratic governance to an information-rich model of customized network governance that lets government achieve its goals without reliance on inflexible and costly command-and-control approaches. Ubiquitous, cheap, and real-time information lets us redesign government to empower complex systems, markets, and individuals to fulfill public goals.

> "Democrats may have to **choose between** protecting the interests of public sector **unions** and creating an effective, **progressive government** that Americans have confidence in."

There are a host of examples of how this could be done. Consider the complex issue of environmental regulation. New sensing and wireless communication technologies can monitor and report pollution in real time, allowing regulators to focus on setting the total levels of emissions; they can then leave how to meet those requirements to the affected facility. For transportation, electronic toll collection systems make it much easier to finance new highways through tolls. In health care, the Internet enables the development of more customized health insurance systems that give patients choice, but also control costs. In government, IT systems can be used to usher in a new era of accountability. For example, Baltimore's CitiStat, instituted by Mayor Martin O'Malley, uses data to identify strengths and weaknesses in government programs and holds managers accountable.

This kind of radical reinventing government initiative is critical if we are to ensure that government effectively addresses the challenges of the first half of the 21st century. The political alternative to radical reinvention is not the status quo, but a radically downsized federal government that devolves most functions to state and local governments and to the tender mercies of untrammeled market forces. While the Bush administration likes to talk about making government work better, what it really means is making government smaller. To see this, we need to look no further than the administration's treatment of national service and the No Child Left Behind education reform, two initiatives the president championed and claimed to have wanted to expand. Instead, the administration's funding levels would actually cut the number of AmeriCorps members by 50 percent while the administration has provided neither the leadership nor resources promised in No Child Left Behind. All this makes reinventing government a critical task—and a political opportunity—for Democrats.

Democrats need to do more than point out the administration's hypocrisy; they need to be champions of real reform. This will mean that Democrats will have to find ways to overcome reflexive public sector union opposition to serious governmental reform. Ultimately, Democrats may have to choose between protecting the interests of public sector unions and creating an effective, progressive government that Americans have confidence in.

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The stakes couldn't be higher. Unless Democrats embark on a serious effort to transform governance, they will be, in the words of former Republican House Speaker Newt Gingrich, "left as the reactionary protectors of the bureaucrats, defending inefficiency, technological backwardness, and poor services at high costs." Democrats would do well to heed the words of Britain's Chancellor of the Exchequer, Gordon Brown, to his New Labour colleagues: "We must not adhere to failed means lest we fail to achieve enduring ends." ◆



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# Guns and values

## Democrats can grab the center of the gun debate. But it's framing the message that matters.

*by* **Jim Kessler, Matt Bennett,** *and* **Jonathan Cowan**

Democrats need a new way to frame the gun debate, because the old approaches to gun issues are proven losers.

Conventional wisdom now offers two basic choices: The first counsels Democrats to avoid mentioning gun issues altogether. Al Gore applied this "hope" strategy in the 2000 general election—hoping the National Rifle Association and George W. Bush wouldn't define him as anti-gun—and it failed miserably, with Gore carrying only 35 percent of gun owners.

The other strategy—vocally opposing all new gun safety laws—is also a loser. Just ask former Democratic Govs. Roy Barnes of Georgia, Don Siegelman of Alabama, and Jim Hodges of South Carolina. They played the NRA's tune and won its endorsement, yet all lost their re-election bids.

It doesn't have to be that way. Democrats can engage the gun debate on new terms, by supporting gun rights while fighting for tough enforcement of existing laws and promoting sensible new gun safety measures. It's an approach that makes sense for reasons of both politics and principle. The political reason is that nearly half of American voters live in households that own firearms. Unless Democrats start faring better with those voters, they're likely to be a permanent minority party in Congress and continue to be locked out of the White House.

The reasons of principle are equally clear: America suffers from 350,000 violent gun crimes each year, massive black marketing of illegal guns, a broken background-check system, shamefully weak enforcement of existing federal gun laws, and legal loopholes that give terrorists, criminals, and illegal aliens easy access to guns at gun shows.

Based on research on voters in Georgia, Maine, Pennsylvania, North Dakota, and a half-dozen other southern and western states, it is clear that Democrats can be politically rewarded for taking a position that shows genuine respect for gun owners, as well as a strong commitment to reducing gun crime. Here is a 10-point primer on how to seize control of the gun debate, with a powerful message that reflects mainstream values:

### Argument # 1

***"Americans have a right to own a gun to protect themselves and their families."***

Most gun owners are not hunters, so all the talk of supporting the rights of hunters and sportsmen is just blather to 85 percent of the gun-owning population. Moreover, gun ownership rates are highest among those with higher incomes and education—most of whom say they own a gun for self-protection.

**LOCKED DOWN:** Campaigning for mandatory safety locks, like the one above, is a better way to arrive at gun safety than promoting sweeping gun control measures.

### Argument # 2

***"The right to own a gun does not extend to terrorists, criminals, and illegal aliens."***

The 86 percent of likely voters who believe in the constitutional right to own a firearm also understand that gun ownership rights should extend only to law-abiding citizens. Making that distinction in no way constitutes lack of support for gun ownership rights.

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**Argument # 3**

*"We need to make the instant check system truly instant and accurate."*

That argument appeals to gun owners, who sometimes have to wait days to clear a background check because of faulty records. It also appeals to liberals who are rightly concerned that missing records allow domestic abusers, the mentally ill, and dangerous criminals to get guns.

**Argument # 4**

*"Families attending gun shows should not have to rub shoulders with criminals because Congress mistakenly left open the gun-show loophole."*

Most voters agree that our collective interest in public safety makes it entirely reasonable for us to include a thorough and reliable background check in the gun purchase process. But gun owners need reassurance that the real motive behind closing the gun-show loophole is not to make gun shows extinct.

**Argument # 5**

*"I don't support gun control. I support gun safety."*

It's time to scrap the term "gun control" altogether. The interest groups have quietly banned the term; so should Democrats. "Gun safety" is a more accurate term to describe measures like mandatory safety locks, closing the gun-show loophole, and better enforcement of existing gun laws.

**Argument # 6**

*"I will champion New Hampshire gun values."*

Respect people's upbringings and roots. Most gun owners store their firearms safely, teach their children to stay away from guns, and overwhelmingly support reasonable gun safety laws—and they don't like Democrats blaming them for crimes that occur somewhere else with someone else's guns. Democrats should invoke the traditional values of responsible gun ownership and pledge to fight for those values—backing that up with public acts, like going hunting and target shooting and forming Gun Owners for Bill Smith.

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**Argument # 7**

*"Enforce the gun laws! We have to close the gap between the gun crimes that are committed and those that are prosecuted. Enough talk, we need action."*

Bush understood that he should talk about getting tough on enforcement during his campaign for the presidency, hanging President Clinton's poor enforcement record around Al Gore's neck. But guess what? The Bush record is wretched too. In 2002, the Bush team prosecuted fewer than 600 of the 150,000 buyers with criminal records who lied on the background check form to buy a gun. And prosecutions for 20 of the 22 major federal firearm statutes are all but ignored under Bush. In fact, in the last three years, only 2 percent of all federal gun crimes were prosecuted. This enforcement gap is a major political liability for an administration that failed to keep its only promise on guns.

**Argument # 8**

*"We must safeguard our rights, bring traditional values to Washington, close the loopholes, and enforce the laws we need to stop criminals."*

Democrats should speak to rural, small-town, and suburban citizens about their philosophy and policy agenda for promoting gun safety. Democrats shouldn't allow the NRA to label them as "gun confiscators" because they support background checks at gun shows. They should take the offensive by proposing an agenda that reduces gun crime and appeals to those in the center: standing up for gun rights, closing the gun-show loophole, renewing the assault weapons ban, fixing the background check system, and closing the enforcement gap through vigorous prosecution of existing laws.

**Argument # 9:**

*"I am opposed to the extremists on both sides. I reject the far-right groups that think gun ownership is an absolute right and the far left that thinks it is an absolute wrong."*

Capturing the political center is the key to appealing to mainstream gun owners. Luckily, it's wide-open terrain. Republicans are widely seen as handmaidens to the NRA, and Democrats are seen as beholden to the left. Claim the middle ground. Reject the well-intentioned, but tone-deaf interest groups that view any support for the Second Amendment as "extreme." That may mean having a "Sister Souljah" moment—attacking a political sacred cow that is revered only in liberal bastions like Cambridge, Mass., and San Francisco.

**Argument # 10**

*"I support gun owner rights, but, with all due respect, the NRA is wrong to oppose President Bush's renewal of the assault weapons ban, wrong to support the restoration of gun rights for convicted felons, and wrong to want to repeal the instant background check law."*

Put NRA stalwarts on the defensive. Make them defend *every* NRA position. Remember: More than 90 percent of gun owners do not belong to the NRA.

With the right message and policy ideas, gun issues can actually help Democrats, because Republicans have their own problems with guns. Don't forget, Bush moved quickly to the center on guns in the general election, supporting the assault weapons ban, trigger locks, and instant checks at gun shows. He may have done so out of a deeply felt conviction that stronger gun laws are needed to protect Americans. But, more likely, his conversion was borne out of a poll handed to him by Karl Rove, showing that suburban women voters in nearly all states support gun safety and oppose anyone who is out of the mainstream on guns.

Ignoring the issue, as tempting as it may seem, just won't work. Voters already believe Democrats are hostile to gun owners. If Democrats don't seize control of the gun debate, the NRA will. ◆



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# Charter school lessons

California's successes—and remaining hurdles—point the way forward for policymakers.

by **Nelson Smith**

**MAKING STRIDES:** According to California's Academic Performance Index, the state's charter schools are improving scores faster than non-charter schools.

Despite their strong bipartisan popularity among policymakers, charter schools are still a somewhat nebulous concept for many Americans. Although parents are flocking to these independent but publicly accountable schools, many taxpayers don't quite know how they work, what exactly they do, or who is in charge. Not surprisingly, public perceptions of charter schools have too often been shaped by complaints of district officials or headlines about the malfeasance of a few shady operators.

In fact, the growth of the national charter movement has slowed significantly in recent years, with the annual increase in new schools falling from 44 percent in 1999 to just 11 percent in 2002. Whatever the reasons (including re-regulation and the vexing problem of finding adequate facilities), charter advocates believe the movement can still thrive if supported by strong authorizers and equitable state financing.

As in many things, California serves as a charter school bellwether. Its charter schools now serve more than 150,000 students, by far the largest number of any state. Yet in recent years, the movement has been buffeted by a spate of bad press over financial scandals at a few charter campuses. With the recent passage of legislation tightening oversight, there is now additional reason for encouragement, in the form of research offering promise that the charter model is working.

California's charter schools are created under a law that set out a seven-part rationale including increased learning opportunities, innovation, and the creation of new professional opportunities for teachers. Although the movement has not succeeded on all counts—more focused efforts are needed to stimulate continual improvement in all public schools—California's charter schools have made significant progress.

Of course, the most important question for educators, policymakers, parents, and the public is: Are charter schools increasing academic achievement? The answer is a qualified yes: In just a decade, California's charter schools have pulled nearly even with the century-old district system on state measures of achievement. And they're doing the most good for the kids who need the most help.

While the average overall performance of charter schools remains lower than that of conventional public schools, three recent studies that look at the performance of schools and students over time demonstrate striking progress, according to analyses of the state's Academic Performance Index (API). In March 2002, a team of researchers from California State University did a three-year comparison of charter and other public schools serving low-income children. The findings were startling: "California charter schools are doing a better job of improving the academic performance (as measured by API) of California's most at-risk students ... than non-charter California public schools." The study found the greatest improvement in schools serving the most impoverished students—a group, it notes, that charters serve in higher percentages than does the regular system.

In addition, the Charter Schools Development Center found that API scores of

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charters that have passed their five-year milestone exceed those of the average public school. A Hoover Institution report noted that statewide API gains by charter high schools since 1999 are double those of other public high schools.

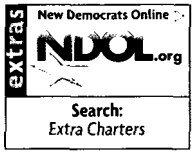
Even the gap in current performance between charter and non-charter public schools is surprisingly small, given that a relatively large number of the charter schools are new, and that half of all charters serve at-risk populations that would be expected to have lower aggregate test scores. Since these outcomes have been attained despite serious financing inequities, there is reason to believe that charter schools are actually more productive than many traditional public schools.

There is also persuasive evidence that the success of charter schools goes beyond test scores. A raft of recent studies has established that smaller schools tend to promote higher achievement, especially among disadvantaged students. By their very nature, and often in reaction to the anonymity of large comprehensive schools, charter schools have a more intimate scale. Median school size among California charters is 178 students, compared to 561 students in other public schools. Strong parental satisfaction and high retention rates have also become hallmarks at charter schools.

Charter schools are also laboratories for systemic innovations in the classroom and peer evaluation. For example, one-quarter of California charters use project-based learning programs. More than 60 schools feature experiential approaches, and double that number fashion individualized learning plans for their students. More than 60 schools extend learning time through longer days and longer school years than other public schools.

In San Diego, 29 charter schools have joined The Accountability Project, which aims to boost achievement by creating an environment of data-driven decision-making grounded in robust accountability systems. Over the course of four years, consortium members will collect, manage, and analyze data, communicating results clearly to parents and policymakers—and, most important, learning to integrate data into planning for school improvement and organizational growth. And, while their impacts on neighboring school districts are inconsistent—some districts are more willing than others to see them as a source of positive competition—forward-thinking school districts are benefiting from innovations pioneered by charter schools.

Despite rapid growth and promising outcomes, California's charter schools continue to face a variety of obstacles. The state's charter law is generally strong, but leaves far too much control in the hands of local school districts, while providing too little guidance on how they should approve and oversee charter schools. Put bluntly in a new study by the Thomas P. Fordham Foundation: "Local school boards generally do not make good authorizers," due to "local politics, inadequate infrastructure development, authorizing for the 'wrong' reasons, and the tendency of staff to stress compliance-based accountability ... ". Charter schools in California also face substantial funding inequities. And despite passage of Proposition 39 (which requires chartering districts to provide facilities), finding adequate financing and space for the charter schoolhouse will remain challenging.




California has a golden opportunity to ignite a new surge of high-quality chartering. State and local officials, authorizers, charter school operators, and private-sector leaders can take a variety of steps to ensure that California "catches the wave" of charter-led innovation and improvement in public education. In particular:

• The state legislature should end the near-monopoly of local districts on charter authorizing and oversight. Among the options to be explored are expanding the role of the State Board of Education and allowing universities and major non-profits to act as authorizers.

• California should try to increase charter access to district facilities by asking the question: Why should school districts own all the buildings in the first place? State and local lawmakers in at least one charter-rich district should pilot a "Public School Real Estate Trust" that is responsible for development and allocation of *all* public school facilities in a given jurisdiction.

• The supply of charter schools should be expanded by replicating effective schools and creating thoughtful guidelines for converting underperforming district schools into charters.

• Public- and private-sector leaders should create more effective means of sharing successes and innovations between the charter and traditional school systems. California would do well to create or import groups like the Project for School Innovation (PSI). Founded by the Neighborhood House Charter School, a K-8 charter school in inner-city Boston, PSI uses a five-step process that identifies important school practices and then structures an intensive dialogue involving both charter and traditional public school teachers, leading to action plans for implementation at new sites. The benefits are not one-way—PSI is careful to point out that charters learn from the experience of district schools as well.

• Laws and regulations should be more carefully targeted, so as not to inhibit creation of new charters or increase the already heavy burden of paperwork on existing ones.

• "Charter districts" should be created at scale, with large numbers of schools operating on performance contracts.

The charter wave is still going strong in California. Whether it lifts all boats in the coming years—and serves as a model nationally—depends on what policymakers do today. ◆



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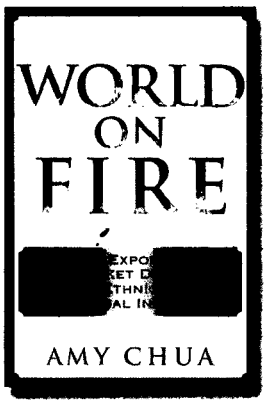
# Democracy versus capitalism?

*by* **Fred Siegel** || Does history have to move in stages? This is a question that occupied Marxists and socialists for more than a century. Classical Marxism argued that the capitalist development of the economy was a necessary precondition for socialism. What made Lenin different is that he argued that progress could be telescoped so that a revolutionary vanguard could both modernize the economy and create socialism at the same time. The results were deadly.




**WORLD ON FIRE: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability**
*by Amy Chua* • Doubleday • 350 pp. • $26

Today a new debate about the stages of history has emerged. On one side are thinkers like Robert Kagan and Larry Diamond who argue that logically there is no tension between free market liberalism and democracy. Both insist on the equality of individuals who are free to engage in commercial activity *and* participate in politics. Their critics, like Robert Kaplan and Fareed Zakaria, argue that democracy can succeed only as a capstone to earlier legal and social foundations. They are now joined by Amy Chua, a Yale law school professor who argues that in developing countries democracy can exacerbate racial and ethnic tensions and threaten individual liberties and economic freedom.

Most Americans assume that democracy, liberalism, and capitalism are not only a natural trio but mutually reinforcing. That assumption is a product of our history. Unburdened by a feudal past and blessed with widespread land ownership that produced a broad suffrage from the start, we have always been liberal, capitalist, and democratic. But historically—and in much of the world today—these elements are in tension with one another.

Ms. Chua, who helped Mexico privatize its telecom industry, is the child of Chinese capitalists in the Philippines, part of what Chua calls a "market-dominant minority." A tiny percentage of the Philippine population, the Chinese Filipinos control about 60 percent of the economy including most of the large banks, hotels, and manufacturing companies. Her family, contemptuous, as she describes them, of ordinary Filipinos whom they regard as an inferior breed, lives in walled estates. Fearful of instability, they keep much of their money in "safety boxes filled with gold bars."

Chua's book was provoked by the murder of Chua's wealthy aunt. The kidnapping and killings of wealthy Chinese are sufficiently commonplace that the murder was treated as a routine affair by the police. Referring to the resentment felt by poor Filipinos toward people like Ms. Chua's aunt, the police felt they needed but one word, "revenge," to explain the motives of the chauffeur who had killed her. But the Chuas, she notes, had been protected under the corrupt crony capitalist regime of the Marcos family. It was the democratization that followed the Marcos era in the Philippines that produced widespread violence against the Chinese minority. Her argument, baldly put, is that while the opening of free markets does increase wealth for all it disproportionately advantages "market-dominant minorities" like the Ibo in Nigeria, Jews in Russia, and the Chinese in Indonesia. The resentment generated by the fast rising wealth of the "outsiders" can become "an engine" for anger as "opportunistic vote seeking politicians" arouse members of the "frustrated indigenous" majority to rape and plunder.

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She makes a strong case for some of her examples, but unfortunately takes the framework of the tension between market-dominant minorities and resentful majorities and tries to turn it into an explanation for nearly all the conflicts in the world. Israel, she argues implausibly, is a "market dominant minority in the Middle East," a region with which it has virtually no trade. Further, she argues that America is, on a global scale, a "market dominant minority." But, as the anti-Americanism of countries as varied as Venezuela and the Sudan suggests, this anger doesn't require democracy on either a local or global level.

Chua would have written a better book if had she read the one by Jerry Muller, an intellectual historian at Catholic Univer-

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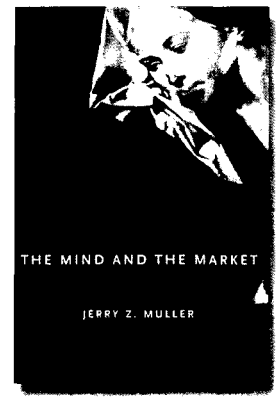
sity. Muller sketches out two versions of capitalism. The first comes from Voltaire, who himself was a capitalist, though an unscrupulous one. He became one of the richest men in France, though his double dealings in business arrangements had led to his expulsion from Prussia and his flight from England. Condescending toward the common people, whom he described as the *canaille* or rabble, he assumed that they were incapable of self-improvement. It was pointless, he thought, to try and educate them because they would never have "the time and capacity to instruct themselves; they will die of hunger before they become philosophers."

While Voltaire got rich and lived in a walled estate, Adam Smith lived a modest life in Glasgow and gave generously to charity. Smith, who would be much admired in the New World, propounded an entirely different approach to capitalism which telescoped the stages of its development. He thought all people were capable of reasoning on their own behalf. Elevated sentiments, he said, were as achievable by the laborer as by the philosopher; all have the "propensity to truck, barter and exchange." His aim was what he called a "universal opulence which extends itself to the lowest ranks of people producing a general plenty."

Muller includes a chapter on Justus Moser, a late-18th-century defender of the feudal order against the arrival of both outside ideas and outside capitalists. In it, Muller rightly notes that many of the arguments of the contemporary anti-globalists were first penned in defense of traditional hierarchies. Trade and manufacturing, or what Moser referred to as the system of "simplification," were accused of undermining the "natural order" with alien goods and ideas. He enraged the Enlightened with his defense of serfdom. The poor, argued Moser, were better off when they knew their place and were cared for by their betters. Manufacturing was, he thought, dangerous, because it freed artisans from the guidance of their guilds and left them subject to moral disorder. Peddlers, he insisted "ruined the good morals" of the rural population by awakening new desires that led women to buy what they didn't really need without the supervision of their husbands. Moser's arguments would be revived by the right wing nationalists of post-WWI Germany and Austria as well as the contemporary critics of "Coca-Colonialization."




**THE MIND AND THE MARKET: Capitalism in Modern European Thought**
*by Jerry Muller* • Knopf • 487 pp. • $30

Amy Chua is far too modern to accept Moser-like arguments whole-hog. The resentments she ascribes to the tension between free markets and democracy long preceded the arrival of elections. But she's concerned that today's speed of change is likely to produce continued violence in more traditional societies. Her partial solutions are racial quotas for the majority population of the sort adopted by the authoritarian Malaysian regime and more philanthropy on the part of market-dominant minorities. The latter suggestion is clearly a good one, but it did precious little good for the Jews of Austria who were generous givers before the Holocaust.

Finally, it seems clear that the issue of the stages of capitalism can't be resolved by logic. But it may well be determined by the type of capitalism that's adopted in developing countries. Voltairian capitalism places governments in an impossible bind. They either cater to the interests of their politically privileged entrepreneurs and risk popular resentment or feed the resentment by humbling their entrepreneurs, thus risking the loss of their economic engines. Smithian, or "democratic" capitalism, on the other hand, doesn't eliminate the resentments but it is likely to do far less to foster them. To the extent that advancement appears open to all, governments are more likely to be able to enforce the rule of law as a bulwark against marauding majorities. ◆

**LAND ON FIRE:** In 2000, anti-minority rioting by Muslims in Indonesia targeted mainly Christian Chinese shop owners.

**Fred Siegel** is culture editor of BLUEPRINT.

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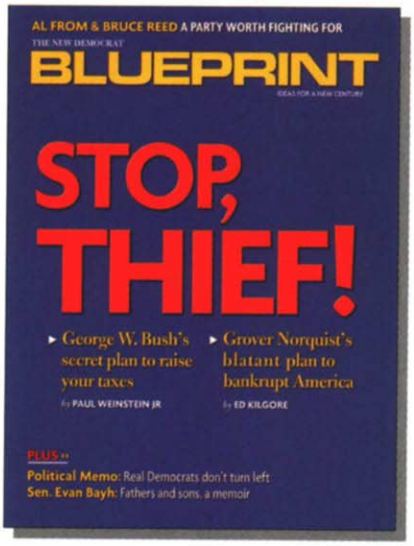
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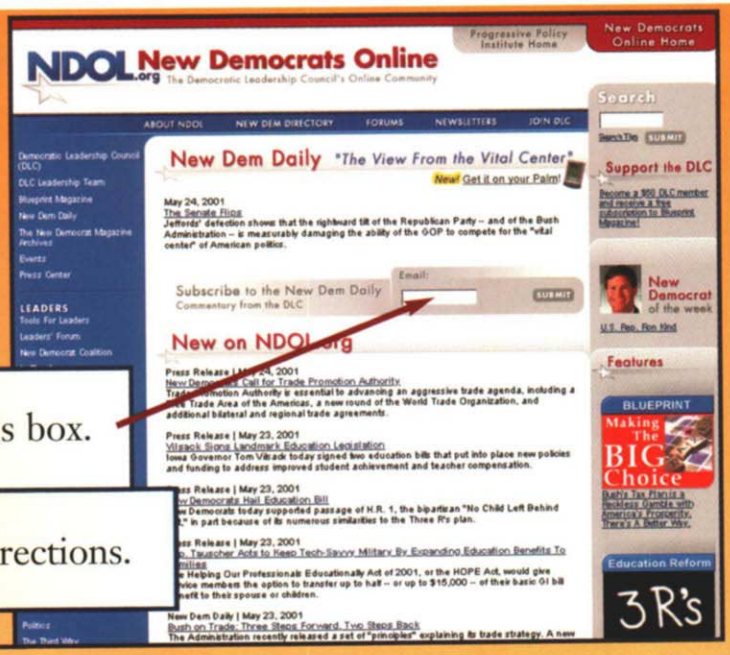
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